

# *The* **NATIONAL UNDERWRITER**

*Life Insurance Edition*



## **SYMBOL OF SAFETY**

71,000,000 policyowners, a number equal to half the population of our nation, have placed their stamp of approval on the principles of life insurance and the practices of the industry. No other financial institution in all the world's history has enjoyed so great a degree of public confidence.

The American Life Convention, through its 209 individual and independent members, has been and is an important factor in maintaining the high ideals and principles of the life insurance industry.

The 2,000 men and women who, in the field and offices, are the KANSAS CITY LIFE INSURANCE COMPANY, take great pride in making Security Assured for the American people.

**KANSAS CITY LIFE INSURANCE COMPANY**

3520 BROADWAY, KANSAS CITY, MISSOURI

**A M E R I C A N L I F E C O N V E N T I O N**

**FRIDAY, OCTOBER 11, 1946**

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XUM

(A SERIES OF ADVERTISEMENTS ILLUSTRATING HOW LIFE INSURANCE AGENTS SERVE THEIR COMMUNITY BY SELLING LIFE INSURANCE)



## How Small Are Your Community Chest Requirements This Year?

SUPPOSE the chairman of your local Community Chest started off this year's drive for funds by announcing that there had been a great decrease in the needs of the community fund. Therefore the goal this year would be much smaller than any previous year! Wouldn't that be a great day?

Now suppose there was no such thing as life insurance. No life insurance dollars regularly coming into the post office of your city or town, addressed to policyholders and beneficiaries.

Can you imagine the size of your Community Chest requirements?

In cities across America, representatives of The

Equitable Society are in the forefront not only in Community Chest drives but, more fundamentally, in activities which reduce the needs of Community Chests. That's something to be proud of.

Yes...selling life insurance is more than a way of making a living. It is a contribution to the community in which an agent lives. And this is a "bonus" over and above the prestige that comes to Equitable Society field men as members of an honorable profession and as representatives of an institution like The Equitable Society. That is why Equitable Society representatives can be proud that by serving the Society's members...they serve America.

*Listen to the Federal Bureau of Investigation  
in action.*

**TUNE IN ON "THIS IS YOUR FBI!"**

*American Broadcasting Company*

**EVERY FRIDAY NIGHT**



**THE EQUITABLE  
LIFE ASSURANCE  
SOCIETY**

**OF THE UNITED STATES**

**THOMAS I. PARKINSON, President • 393 Seventh Avenue, New York 1, N. Y.**

## Selection Men Hold Parley on Gulf Coast

### Institute of Home Office Underwriters Has Annual Gathering

EDGEWATER PARK, MISS.—An up-to-date occupational rating manual is badly needed today, Carl M. Young, Farmers & Bankers Life, declared in giving the presidential address at the meeting of the Institute of Home Office Underwriters here. A guide should be gotten up that could be followed with reasonable closeness by all companies.



Carl M. Young

The variety of extra premiums that are being quoted for occupational hazards is bewildering to the agent and the prospect, he said.

Today many companies have their own manuals. Others use a manual that was compiled in 1939 by an A.L.C. committee. Many of the rates for certain occupations in that manual have become obsolete due to changing conditions.

Other companies use a combination of rating manuals. Just before the war a start was made in getting up a manual but the work was not completed. He said the Institute should not assume the sole responsibility for such a project, but should participate with others in such an undertaking. He suggested that an Institute committee might be appointed to get in touch with other interests and help to get the ball rolling.

Mr. Young reported that the membership now stands at 152.

Mr. Young touched upon some of the responsibilities of the underwriter, or of the selection man and spoke particularly of his relationship to the agency organization. The underwriting executive should keep in personal touch with the agents so that there may be a bond of understanding between them. He suggested that agents when visiting the home office, be invited to attend underwriting meetings. In this way the agent can get an insight into the considerations that are involved in the underwriting task, and he can also contribute ideas that will be helpful to the home office.

### Underwriting Tropical Diseases

Dr. Reynold C. Voss, associate medical director of Pan-American Life, speaking on "Underwriting Tropical and Semi-Tropical Diseases," took up the possibility of development of such diseases in the civilian population as a result of infection from returned military personnel. He said there have been no serious results along that line so far, but that there are some diseases which could give future concern, including malaria, dysentery, dengue fever, filariasis, typhus, scrub typhus, infectious jaundice, cholera, plague, sonistosomiasis, loptospirosis, yaws, Oriental sore and kala azar, clonorchiasis, hookworm disease,

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## H. & A. Conference Still Opposed to Rate Regulation

As a sequel to the action taken by the Bureau of Personal Accident & Health Underwriters at its annual meeting at Stockbridge, Mass., last week in declaring for state regulation of rates for individual accident and health policies and reciting its inability to reach an agreement with "other segments of the accident and health business," the executive committee of the Health & Accident Underwriters Conference at a meeting in Chicago Saturday reaffirmed its opposition to statutory rate regulation as "neither feasible nor desirable."

It should come to a legislative conflict between the two schools of thought, the conference would have one advantage, in that it has member companies domiciled in 27 states and the home state companies usually have more influence with their legislators than those from outside the state. Its legislative committee has one member for each state, either domiciled in that state or one closely adjacent, who is able to keep in close touch with the situation there.

### Statement by Committee

The statement issued by the conference executive committee declares that:

"1. The present competitive nature of the business, which has produced desirable extended coverages and great development and has brought this form of protection to many millions of people, must be preserved.

"2. Since health and accident insurance, like life insurance, and unlike fire and casualty, deals with individual policyholders on a personal basis with varying types of coverages, statutory rate regulation is neither feasible nor advisable.

"3. The standardization and freezing of health and accident premiums by rate fixing is not in the public interest and is contrary to the principles of the S.E.U.A. decision and public law 15.

"4. The Health & Accident Underwriters Conference will continue to co-operate with the state insurance departments as heretofore in still further developing effective regulation."

### Distribute Study of Laws

It states that following a poll of its 136 member companies, it reaffirms its belief in state regulation of the health and accident insurance business.

The executive committee directed the general counsel of the conference to distribute a study of existing laws vesting regulatory authority of the health and accident insurance business in state insurance departments, which study includes recommendations for such additional legislation as may be necessary to meet the requirements of public law 15. This study will be distributed to the in-

## Frowns on Use of Insurance for Bequest Purposes

EDGEWATER PARK, MISS.—The selling of life insurance for bequest purposes was frowned upon by Pearce

Shepherd, vice-president and associate actuary of Prudential, in addressing the annual meeting of the Institute of Home Office Underwriters here.

Life insurance works miracles for the widow and her children, the speaker said, but it cannot miraculously create an endowment of say, \$100 million out of thin air. It can only take the premiums, invest what is not needed for expenses and claims, and gradually build up the fund.

The endowed institutions, he said, are suffering from reduced income and they need help, but Mr. Shepherd said he questions the desirability of using insurance for this purpose. "I don't think we shall try to make the case better by asking for special tax consideration," he said.

"If an institution can persuade wealthy persons to pay a certain amount each year for life insurance premiums, they could just as well persuade them to contribute the same amount each year directly to the institution, he contended. That would then provide immediate income and the beneficiaries would have the pleasure of seeing their contributions at work. For instance, under an insurance plan, 1,000 men might be paying premiums of \$3,000 a year. The institution stands to get \$3 million, eventually. However, the institution must wait for the mortality to operate, and it may be a long time before it has as much cash coming in as it needs."

### Eschews Special Privileges

Mr. Shepherd went on to discuss tax considerations and life insurance. The industry, he declared, must be careful not to ask for special privileges unless it can clearly prove that the public interest is not offended. Perhaps, he said, life insurance lost its special exemption of \$40,000 in the matter of estate taxes

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insurance commissioners in each state and to the members of the all-industry committee prior to the meeting of that committee on Oct. 23.

Four additional companies were admitted to membership in the conference: Houston Fire & Casualty, Fort Worth; John Marshall, Chicago; Liberty Mutual and Manufacturers Casualty.



Pearce Shepherd

## U. S. Chamber Sponsors Two Big Pension Rallies

### Philadelphia Roundup on Employee Plans Nov. 7-8; St. Paul Nov. 18-19

WASHINGTON—The first two of a resumed series of conferences to be held on employee retirement pension trust and profit-sharing plans under sponsorship of the U. S. Chamber of Commerce, will be held at Philadelphia, Nov. 7-8, and the second at St. Paul, Nov. 18-19. This resumption of a program of pension trust forums that was suspended for a time during the war period, follows a number of preliminary discussions between chamber officials and persons interested at Philadelphia and other cities. Several years ago the chamber held such a forum at New York that was pronounced highly successful.

The Philadelphia and St. Paul meetings will be participated in by specialists in insurance, pension trusts and similar plans, actuarial science, internal revenue law, taxation, etc.

### Purposes Are Stated

The Philadelphia conference is sponsored jointly by the U. S. chamber and the Philadelphia Chamber of Commerce and board of trade. Its purpose is stated to be to bring to executives a group of men who are thoroughly versed on all phases of retirement plans and their use; to provide ample opportunity for all participants to present questions and problems which they have encountered either in working out a new pension plan or in maintaining or revising an existing plan.

Some of the subjects to be discussed are:

- Trends in employee compensation.
- Principles of deferred compensation.
- Federal law and regulations relating to retirement plans.
- Tax advantages to employer and to employee.
- Expansion and revision of existing plans.
- Problems in building a retirement plan.
- Methods and problems of financing plans.
- Profit-sharing plans with retirement features.
- Installation and maintenance of the plan.

Reservations are to be sent to Clement V. Conole, general manager Philadelphia Chamber of Commerce and board of trade.

William K. Jackson, president of the U. S. Chamber, said:

"The most important economic and social problem today is that of working out a harmonious relationship between labor and management, between employers and their employees. The management of our most progressive companies have given and are continuing to give a great deal of study to this subject. Our most forward looking executives are fully aware of their responsibility to assist their employees in every practical way, not only to maintain steady employment, but to provide a financial cushion during periods of misfortune and in their advanced years. This has led to the adoption by a great many companies of retirement plans,

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## Disavows Link with "Protective" Outfit

Holgar J. Johnson, president of the Institute of Life Insurance, who has been attending the A.L.C. meeting and presiding over a board meeting of the institute which took place early Wednesday morning, made an emphatic statement to the daily press that the major life insurance companies have no connection with Life Insurance Policyholders Protective Assn. which has launched a fund raising campaign for political purposes.

He termed the organization a personal political promotion by Robert E. Smith which has popped up repeatedly in polit-

ical years and which has been repeatedly disavowed by various segments of the life insurance business.

He made the statement on the day the Chicago "Sun" carried prominently a page one story on the committee's activities captioned "Cry of Insurance Peril Bait Fund Campaign of Anti-P.A.C. Group."

THE NATIONAL UNDERWRITER in its edition of Oct. 4 reported that the life companies had no traffic with this scheme and were hostile to it. THE NATIONAL UNDERWRITER also editorialized on the subject.

## LADIES O. K.

## Sex Is Not Underwriting Problem: O'Brien

EDGEWATER PARK, Miss.—As a whole, female risks give a very satisfactory mortality and sex is not an underwriting factor, it is simply a matter of sound underwriting to avoid speculation and selection against the company. These conclusions were contained in a paper presented at the meeting of the Institute of Home Office Underwriters by C. L. O'Brien, Minnesota Mutual Life.

Prior to 1895, he recalled, most companies were charging an extra premium on women and for New York Life the mortality was 123% of the expected as measured by the compound progressive table. From 1895 to 1899 New York Life put the ladies into a special dividend class and the mortality ratio was 102%.

But New York Life noted that for the population as a whole, women showed a better mortality than men and concluded that the poor insurance mortality showing was due to the method of selection rather than the sex of the risk. Hence New York Life removed the extra premium and the mortality ratio dropped to 93%.

### Beneficiary Designation Important

New York Life found that from 1895 to '99 the female mortality was 126% when the husband paid the premium and was the beneficiary, and no children were involved. It was 113% when the husband paid the premium, was himself the beneficiary and there were children that needed protection. It was 90% when married women paid premiums from their own funds and named their children as beneficiaries. Hence even in those days it was clear that beneficiary designation and insurable interest were correlated to mortality experience.

In Minnesota Mutual at all age groups the mortality has been lower by number for women, and also by amount except in the age groups 20-29 where the women's mortality was higher, but only by .2%. On the entire group the savings were very substantial. During the period covered by its study, Minnesota Mutual's underwriting standards for females, especially married women, were severe.

The disability ratio on women is much higher than on men and the underwriter should guard against washing out savings in life mortality on female risks with losses on disability. Double indemnity shows a desirable trend.

### Morbidity Is Greater

Mr. O'Brien gave a number of specific conclusions. For instance, he said, female morbidity is considerably greater than with males. Female longevity is improving more rapidly than for males. Anti-selection is dangerously present. Better examinations and better histories are needed.

Insurable interest is vitally important. Insurance of aged parents by children is dynamite.

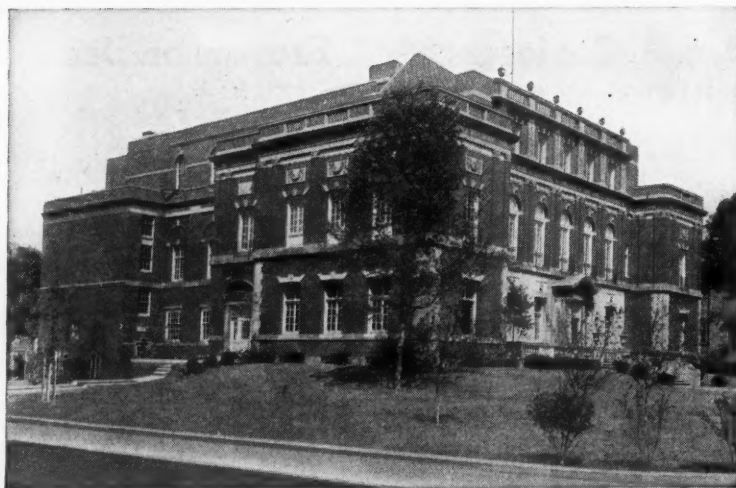
Childbearing is a decreasing hazard. He recommended that the limits of retention could be the same for males and females. The non-medical limits on employed women may be the same as for males. If the husband is applying at the same time on the non-medical basis, married women might be considered for the same amount. If the husband is not applying at the same time, the amount might well be limited to \$1,000.

The disability rate for females should be 1½ times that for males, and a marriage cancellation clause in the disability provision is desirable. Disability should be granted only to employed single women.

It is desirable that children be named

## New Midland Mutual Home Nearly Ready Zimmerman and Johnson Share

### "Ad" Men's Spotlight



COLUMBUS—Midland Mutual Life, after having occupied rented quarters for more than 40 years, is planning to move into its new home office building at Fifth and Broad streets late this fall. The building was formerly the home of the Elks and was erected at a cost of upwards of \$750,000.

For some time the company has been occupying the old home of Columbus Mutual farther out on Broad street. Columbus Mutual is now at 6th and Broad streets, in insurance row, nearly a dozen insurance companies now having their home offices on Broad street. The building has been remodeled and the yard in front and to the side has been landscaped, making the appearance of the structure extremely attractive.

To the right and left of the main

lobby will be the policyholders service and mortgage loan departments, with private offices for the heads of these departments. Opening off the inner lobby will be the offices of the treasury and accounting departments, with private offices for these officials. Files, stock rooms, photographing department, lounges and kitchens will be on the first floor, which will be half above ground.

On the second floor the principal officers will have their offices along the front or south side of the building. On the lower level of the second floor will be the actuarial, new business, index and claims departments, with private offices for the heads of these departments.

The heating, lighting and air conditioning systems are all of the latest designs.

### Ohio Nominee for Governor Urges Department Changes

COLUMBUS—Far-reaching changes in the Ohio insurance division were recommended by T. J. Herbert of Cleveland, former attorney general and Republican nominee for governor, in an address. He said the changes are needed to "restore intelligent and progressive supervision" of the department, which he said had "slipped noticeably in efficiency and effectiveness." He advised that the superintendent be appointed directly by the governor instead of by the state director of commerce, and for a four-year term, and that he be paid \$7,500 a year instead of \$5,000 as at present. Herbert said the superintendent should be assisted by a superintendent in charge of fraternal insurance matters.

He charged the alleged "inefficiency" was due to "persons in top positions who are inexperienced and untrained," and that on "every matter of any importance the superintendent of insurance is forbidden to act for himself, but must refer the question to the governor."

as beneficiary, but this cannot be rigidly enforced. If there are no children, the amount of insurance should be scrutinized carefully.

### Endowment Plans Preferable

Female applications on endowment plans are preferable because they more nearly suit the usual purposes of the insurance. Term insurance should be granted only to business and professional women. On term riders the beneficiary interest should be very carefully analyzed. Sub-standard insurance may be issued on women as on men.

The amounts of insurance written on women should be carefully watched and where a married woman applies, the amount of her husband's insurance and the naming of the beneficiary are definitely significant.

### Barnes to Head Seminar on Veterans Insurance

NEW YORK—Donald F. Barnes and his "flying squadron" will conduct a seminar on National Service Life Insurance for New York City Life Underwriters Assn. at the Hotel Pennsylvania here Oct. 24. Mr. Barnes is director of research and director of division of veterans' affairs of the N.A.L.U. Members of his panel are Vaughn W. Summers, chief of conservation division, veterans administration; Joseph R. Evans, New York City regional insurance officer of the veterans administration; John D. Marsh, general agent Lincoln National, Washington, D. C. and chairman National Assn. committee on veterans affairs; and Bernard W. Levmore, chief of accounts and underwriting division veterans administration, New York City.

Subjects to be discussed are single sum and optional income settlements, endowment plans, disability income, beneficiary liberalization, and other changes under the National Service Life Insurance act. The panel is expected to point up the advantages of decentralization of veterans administration.

The veterans affairs committee of the New York City Life Underwriters Assn., under the chairmanship of R. E. Myer, manager Mutual Life, is sponsoring the panel. This marks a return engagement of Mr. Barnes, who led a similar panel last December. The amendment of the N.S.L.I. since that time calls for a reopening of the subject.

This is the first of the series of educational meetings planned for the association year by Educational Vice-president Harry N. Kuesel, manager Phoenix Mutual, and his committee.

Philbert M. Russell, district manager at Evanston, Ill., marked his 45th Prudential anniversary. He started at Bedford, Ind. For 12 years he was a district manager at Chicago. He has been at Evanston since 1937.

With Holgar J. Johnson, president of Institute of Life Insurance, and Charles J. Zimmerman, director of institutional relations for L.I.A.M.A., as guest speakers keynoting the theme, "Bringing Our Job Into Focus," the program has been completed for the annual meeting at the Edgewater Beach hotel, Chicago, Oct. 24-26 of Life Advertisers Assn.

Orville Frye, Metropolitan Life, is the other outside speaker. He will discuss home office employee orientation programs.

Panel discussions, handled entirely by members, fill out the program along with inspection of the exhibits which will be assembled for the meeting. Outgoing President Russell B. Reynolds will be feted at the president's reception followed by a social dinner and evening.

The complete program follows:

#### Thursday, Oct. 24

12—Luncheon.  
1:45—Opening session. Theme: "Doing a Better Job for the Agent." Chairman, L. J. Evans, Northwestern Mutual. "The LAA Man on the Sales Team," Chas. J. Zimmerman.  
Panel discussion on direct mail, Chairman, Curtis Lamb, Aetna Life, participants, Chas. A. Binger, president, Reply-O Products Co., New York, Frank Pulver, Penn Mutual.  
Debate—Resolved: That life insurance companies should supply leads to their agents for follow-up. Affirmative, C. Russell Noyes, Phoenix Mutual; negative, Nelson A. White, Provident Mutual.  
Panel Discussion on Local Agents' Advertising and Publicity, Chairman, H. Dixon Trueblood, Occidental Life, California; participants, R. W. Archer, Southwestern Life; H. B. Marsh, Jefferson Standard; K. K. Wunsch, Northwestern National.  
6—President's reception.  
7—Dinner. Dancing and entertainment.

#### Friday, Oct. 25

Buffet breakfast—Inspection of exhibits.  
11 a.m.—Business meeting.  
1:45 p.m.—General session. Theme: "Doing a Better Job for Management." Chairman, E. P. Leader, Bankers Life of Des Moines.  
The Institute: Where Its Job Leaves Off, Holgar J. Johnson.  
Panel discussion on company anniversary programs. Chairman, Royden C. Berger, Connecticut Mutual; participants, C. W. Arnold, Kansas City Life; Wm. C. Gentry, New England Mutual; George E. Kelley, New York Life; A. F. Sisson, State Mutual.  
Home office employee orientation programs, Orville M. Frye.  
What a city editor thinks about, Carl V. Cefola, Mutual Life.

#### Saturday, Oct. 26

9:30 a.m.—General session. Theme: "Doing a Better Job for Management." Chairman, J. Percy Lyons, Manufacturers Life.  
Panel discussion: National Advertising from Amosco to Zoroaster. Chairman, David Tibbott, New England Mutual; participants, Harold B. Brown, Imperial Life; E. Crane, National Life; Margaret Divver, John Hancock; E. A. Leader, Bankers Life of Des Moines; A. H. Thimann, New York Life.  
"The Search for Security" (film).  
Presentation of Exhibit Awards, Francis J. O'Brien, Franklin Life, chairman exhibits committee.  
Installation of officers.  
12—Luncheon.

### A.L.C. Contemplates Compiling Its History

The American Life Convention executive committee is now discussing the practical phases of having a history of the organization compiled. Some believe that a historian should be secured to do the work. Others favor a free lance writer who could pick the high spots without bogging it down with too much detail. A third group favors a writer who is familiar with life insurance, and who could pay considerable attention to the relations of the organization to the industry in general.

It will involve some study and research, but it is believed that when the history of the business is written, the A.L.C. will figure in it conspicuously.

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## Western & Southern Policyholders Now Voting on Plan

Ballots have been sent to more than 400,000 policyholders of Western & Southern Life, who have policies of \$1,000 or more, for them to vote on the mutualization program. A representative of the Ohio department is at the Western & Southern office to supervise the tallies.

Assuming that the policyholders assent all that remains to be done to permit the program to be carried through is to secure the official approval of the Ohio department.

It is understood that after the stock has been retired under the plan at Dec. 31, the company will be left with about \$12½ million of net surplus. The stockholders are to receive \$40 million par value of government bonds and whatever the premium may be on those securities at that time, will be to the benefit of the stockholders.

### Actual Surplus High

Although the annual statement of Western & Southern Life for Dec. 31, 1945, shows about \$15 million net surplus and \$25 million capital, it is understood that the actual surplus is far greater than that. Since the first of the year it is understood that many non-admitted assets have been converted into cash and government bonds and that the entire surplus funds including capital are well in excess of \$52 million. Since the first of the year capital was increased to \$30 million.

The state insurance department officials that were told of the plan by the Western & Southern management at a recent meeting in Columbus, it is understood, regard the proposition as fair, since theoretically in a reinsurance deal or in a straight purchase the stockholders would receive the entire capital-surplus of the company plus a consideration of from \$10 to \$30 per \$1,000 for insurance in force.

## Stresses PR Angle in Guertin Laws

HARTFORD—"Insurance companies have nothing to gain and nothing to lose, financially speaking, through enactment of the Guertin legislation," according to John R. Larus, vice-president and actuary of Phoenix Mutual Life, who addressed a group of insurance men and news reporters at a meeting sponsored by L.I.A.M.A.

Mr. Larus said insurers favor the legislation, principally because they feel it will do much to improve public relations. "It is a misconstrued idea," said the speaker, "that insurance companies are doing the public an injustice by using the 100-year old American Experience mortality table." This notion has been further popularized by some ill-formed writers who would have the public believe that mutual companies are making money at the policyholder's expense through use of this so-called "antiquated table."

### No Change in Over-All Cost

Mr. Larus emphasized that in the aggregate the net cost to mutual policyholders does not depend upon the mortality table used. "No matter which table is used," he said, "the net results will be the same. The companies would return as dividends to policyholders the difference between the mortality called for by the table in use and the actual mortality experience." The use of the CSO table under the Guertin law, will, he said, alleviate current criticism arising out of use of the American Experience table.

Under the new system the incidence of the cost may change somewhat, but

## Shepherd Distills Buyer's Views

Pearce Shepherd, Prudential, in addressing Institute of Home Office Underwriters, conceives the following as being how "the man on the street" wants the companies to underwrite life insurance:

FIRST, I want my insurance absolutely sure. Don't attach any strings to it that will prevent your paying it in full when the time comes. I am not going to commit suicide. I have told you the whole truth so I am in the clear on those points. I can't see how you can take the risk of my getting in military or naval service if the country is going to be faced with another war so it's all right with me if you put a war clause in my policy, provided you put it in all the policies you issue. As a matter of fact, I would be glad to have it in because then I would think that my insurance was a little more secure. I don't want any aviation clause in my policy. I have no idea of becoming an aviator but I might want to fly and I wouldn't want any strings attached to the policy if I wanted to do that.

SECOND, I am willing to pay a fair price for my insurance but I don't want to have to pay for any other fellow's coverage. See that you don't do business with crooks and speculators and see that you classify me only with others who are as honest and in as good health as I am.

THIRD, this business of selling insurance for estate tax purposes, bequest purposes, creditor purposes and the like, may be all right if you are good enough underwriters to get a good mortality on it.

FOURTH, I like my group insurance. It gives me a lot for my money. I am a little concerned as to what happens if I want to change jobs. I hope my next employer has a good group insurance plan. If he doesn't I will have to do the best I can to carry that insurance on a converted basis.

LAST, keep your expenses down. I want service and know that I have to pay for it, but be reasonable and be efficient. I am not able to carry too much insurance and I don't want too much of my premiums going to pay running expenses. I carry some industrial policies on my wife and children and I appreciate all the agent does for us and realize that I have to pay him to come and collect the premiums, but it saves me a lot of work. I am willing to pay because I know it costs to do those things. But do all you can to keep the cost of my insurance reasonable.

"Let's try to give him what he wants," Shepherd.

the over-all cost will not change, he declared.

Stock companies will be largely unaffected by the legislation, since in current practice their premiums have already reflected closely their actual experience.

Many companies presently contemplating changes in their policy plans in the light of current low interest rates are anxiously awaiting the final decision on this legislation, as they do not want to make rate changes now, and then have to make further sweeping changes again in January, 1948.

### Equitable Has Neb. Rally

Nebraska agents of Equitable Society held a three-day educational meeting at Lincoln. Walter L. Gottschall of Chicago, director of agencies, gave several talks. John Carr, Omaha, state manager, presided.

### Holds Open House in Washington

WASHINGTON—United States Life and American International Underwriters gave a cocktail party here Oct. 9, the occasion being open house at their offices in the Barr building.

## Dual Payments Outlawed Under Cal. Disability Plan

Employees whose wages are continued by their employers during periods of disability shall not be entitled to receive benefits from the California unemployment disability compensation fund. This important decision has been rendered by the board of appeals of the California unemployment stabilization commission, the vote being 2 to 1. The labor representative on the appeals board was the one that voted to permit such employees to get state sickness benefits.

The stabilization commission previously had issued a proposed ruling that an employee under these circumstances could receive both state sickness benefits and voluntary payments from his employer.

There were some fine points of interpretation involved. The old straight unemployment compensation act clearly provided that unemployment benefits could not be collected while the employee was receiving wages from his employer, but when the sickness compensation amendment was tacked on, the phraseology was such as to create a question about whether dual payments could be received.

This has been one of the important points to be settled before the California state disability plan goes into effect Dec. 1.

The new ruling does not prevent a commercial insurer from paying sickness benefits to an employee, even though the latter may be continuing to receive wages or salary during periods of disability from his employer. Under the California plan, an employer may substitute an arrangement with a private insurance company for the state fund.

## L. I. A. M. A. Plans Five Schools in 1947

Five schools in agency management will be given between February and August of 1947, it was announced by L.I.A.M.A. Registration has already begun and it is expected that some 300 general agents, managers, and home office executives will enroll. The schedule is:

Feb. 17-28, Baker Hotel, Mineral Wells, Tex.; April 14-25, Chateau Frontenac, Quebec; June 9-20, University of Connecticut, Storrs; July 7-18, and July 21-Aug. 1, Edgewater Beach Hotel, Chicago.

All of the schools with the exception of that at the University of Connecticut will be open to companies writing ordinary. That session will be the only one open to companies writing both ordinary and weekly premiums.

The association decided at a recent meeting that five schools will be held next year instead of the usual four in the hope that it will open schools to most of the men on the waiting list. Present facilities allow for the enrollment of 60 in each class.

## Company President Can't Get Job Back Under Selective Service Act

Former Lt. Col. Sebe J. Houghton, Jr., seeking restoration to his position as president of Texas State Life of Dallas under the selective service act, lost his case in federal court there when Judge Atwell ruled in favor of the company, agreeing with the defense that the request was "unreasonable."

Houghton was president of the company when he entered service and after serving four years in the army he asked for his position again. The judge said he based his contention on the fact that company policies change from year to year, and that the presidency of any company is elective and therefore must be considered temporary. The case will be appealed.

## Useful Dividends

The policyowner in these two cases was an Ohio lumber man who first insured in 1903 when he was aged 34, starting a Twenty Payment Life of \$3,000, with a quarter annual premium payment of \$28.47.

Within a month he added another Twenty Payment Life, this time of \$5,000, with an annual premium \$182.45.

Both policies became full paid at the end of the twenty years, in 1923. On the first he had paid in a total of \$2,277.60, on the other \$3,649. The dividends on both policies were left with the Company to buy additional insurance, and after becoming full-paid dividends were continued and used in the same way.

When the cases became claims upon the death of the insured in 1945 the total amount payable on the one policy came to \$5,022.93, on the other \$8,383.03. A total of \$13,405.96 rather than the face amounts of \$8,000, for which premium payments had totalled \$5,926.60. The beneficiary elected the option by which interest will be payable to her on an annual basis.

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### THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## YATES AND ALPORT ENTHUSIASTIC

## Juvenile Insurance Has Immense Potentialities, Selection Officials Agree

The main, and about the only problem involved in underwriting juvenile industrial risks is in the group up to one year old, according to C. T. Yates of Life & Casualty, who addressed the annual meeting of the Institute of Home Office Underwriters at Edgewater Park, Miss. Life & Casualty has made studies of the mortality experience on infants and has concluded that by making allowance for the table of benefits for the first five years, the death claim experience on the infant group is fully as favorable as for all ages.

After the first two years, the period of heavy claim ratio on the one year old child has passed, he declared, and from that time on, a very favorable mortality will be experienced on this group for many years.

Another talk on juvenile risks was given by D. B. Alport of B.M.A.

The study of death claims on the age one group indicates that very little would have been gained through examination of a larger group, Mr. Yates said. Only about 12½% of the deaths from the issue of 1945 were caused by congenital defects and defects which might possibly have been congenital.

### Opportunity for Agent

The agent has his greatest opportunity to demonstrate good underwriting in the infant group. The agent is expected to see the infant when he writes the application and two weeks later when he returns to place the contract he is expected to see the baby. A man who has seen a lot of infants soon becomes able to distinguish the normal and the abnormal child. The two week interval between writing the application and delivering the policy usually is enough to indicate which of the children are not developing normally. Indications of deficiency diseases frequently are noted during the first few weeks after birth. The underwriter has nothing to worry about if he can get the cooperation of the field.

Life & Casualty postpones action on infants that weigh less than six pounds at birth until they have gained to normal weight.

### Payor Benefits Liberalized

As to the payor clause, Mr. Young reported that commencing this week Life & Casualty is writing payor benefits on juvenile contracts of more than 60 cents. Heretofore, it has been writing such benefits only on juvenile premiums of 60 cents or less.

The payor rates are based on the premium of the juvenile contract. Age limits are 14½ or under on the child and 45 or under on the payor. The clause provides for payment of premiums on the juvenile contract to age 21. This permits the same rate for any standard form of contract. The payor benefit does not contain a disability clause. It is restricted to standard policies on white risks.

The payor contract was welcomed by the field force and has been the source of much new business. Many procedural complications have been encountered at

the home office. The application for payor insurance contains little information that is helpful in underwriting. The idea was to make the application as simple as possible, as it was felt that the rates afforded sufficient protection. Life & Casualty is making some tests to determine which groups of applications should be checked through the impairment records. One question is what to do with an applicant who has an indefinite history of impairment in the record files. The premium is too small to justify inspection report or examination and it is hard to decide whether to accept or decline without additional information.

### D. B. ALPORT'S VIEWS

Mr. Alport declared the surface hasn't been scratched in writing juvenile insurance.



D. B. Alport

Insurance is still regarded as a burial benefit. It has long been the common conception that a child has no economic value until he begins to earn his own living.

Consequently, the child's death presents no financial loss to the family other than burial and last illness expenses. As a result, many good salesmen still talk about \$500 policies for children and suggest them more or less as an afterthought. More recently, however, there has been a tremendous improvement in the health and in the mortality of small children. Pediatricians are consulted by those even in humble circumstances. Child clinics, pre-school requirements for preventive inoculations, important periodicals on child care, and such helpful information as that given out by companies like Metropolitan Life, have greatly influenced the health of the average child. Consequently, a greater percentage of the children will live to maturity and will die of degenerative diseases of old age.

Then, too, the emphasis on education and the development of thrift habits in children have found expression in the sale of life insurance. This year more than 4 million persons will graduate from colleges and the number of high school graduates has zoomed to more than 23 million. In half a generation America has more than doubled the number of formally graduated people. Many children's policies are today being purchased on endowment plans maturing at 17, 18 and 19 with proceeds earmarked as tuition and expense funds for college education.

### Creating Fund for Business

Other endowment plans are purchased for the purpose of creating funds for a start in business. These new concepts have developed along with the increasing appreciation of the many new ways in which insurance can be used as a living benefit rather than as a death benefit.

Some parents recognize that the tax burden makes it increasingly difficult to create retirement funds and are purchasing for their young children retirement plans which the child will take over and pay for after he reaches maturity and is economically independent.

Insurance salesmen are using this appeal with the result that there are more applications for larger amounts of life insurance on children. Most of these policies are written on plans combining life insurance and annuities.

The home office underwriter has to

adjust his thinking on this subject. Heretofore the companies have insisted upon a definite ratio between the insurance on the parent or payor and the amount applied for on the child. The most popular idea is that there should be a 2 to 1 ratio, although some hold to a 3 to 1 ratio. It now appears that the purpose of the insurance and the financial position of the parents should be the yardstick for measuring the amount of coverage.

The early issues were endowment plans which provided a death benefit equal only to the premiums paid plus interest. Then came the graduated death benefit to age 10 and now usually to age 5. One company is writing much business on plans that provide for the payment of the face amount at death on policies from issue age 1 and up.

Several of the larger and older companies which have for many years left the writing of juvenile business to the industrial companies are now accepting applications on children even down to age 0. More and more of these companies are writing these cases non-medically within certain limits. Mr. Alport voiced the belief that this practice can be safely followed and that the same non-medical limits can be applied to both male and female children to age 15. B.M.A.'s non-medical limits on male and female children became the same, effective Oct. 1.

All agree that the mortality experience is not too favorable to age 1 but that it improves sharply after that age and is favorable.

### WHY KEEP BRAKES ON?

"Why then," he asked, "must we continue to keep the 'brakes on' by sharply reducing our retention limits at the early ages? Why not assume that our young client will have an earned income of at least \$2,500 annually when he is established in business or his profession? After all, his policy was purchased so that its proceeds would either provide a good education, a start in business, or both. With that amount of earnings he should be entitled to own an amount of life insurance equal to 10 times his income, or \$25,000. Would it not then be reasonable to accept our full retention on such cases if our limit of retention is \$25,000 or less?"

From the company's standpoint it should be profitable business after age 1 because of the favorable mortality experience. Since many of the policies are on endowment plans to provide cash for education or a start in business, or for life incomes, the persistency is good.

The salesman has little difficulty in writing such insurance because it has a sentimental appeal and the over-all cost is small when compared to the rates on most similar plans for adults.

The underwriting consideration of applications for children is somewhat different than on adults. Habits, morals, and occupation are usually no problem. Build measurements, blood pressure, pulse rate, reflexes and other similar findings on examinations have much less significance.

### Few Technical Problems

The medical director may find clinical significance in juvenile pituitary disorders and subnormal mentality, but as a general rule the juvenile risk presents very few actual technical problems from an underwriting standpoint.

The inspection report is important as much consideration is given to the home surroundings, environment and the financial standing and character of the parents. Any question of speculation or the possibility of infanticide is minimized by modern methods of investigation and, too, by the fact that the purposes for which most child's policies are purchased are sound.

The underwriters should continue to be alert to cases where only one child is being insured if there are other children in the family. He should ascertain that the unhealthy child is not the

(CONTINUED ON PAGE 42)

## Satterfield Talks to N. Y. City Assn.

### Collins, New President, Succeeds Fluegelman at First Fall Dinner

NEW YORK—Members of New York City Life Underwriters Assn. heard Dave E. Satterfield, executive director Life Insurance Assn. of America, talk on "A United Industry" and witnessed the installation of the new president, Patrick A. Collins, manager Metropolitan Life, by David B. Fluegelman, Northwestern Mutual agent. The ceremony took place at the association's first fall dinner meeting.

Mr. Fluegelman, in introducing Mr. Collins, said that the presidency of the New York association had often been a stepping stone to greater achievement, but that Mr. Collins had already done notable work as president of the New York State Assn. of Life Underwriters and as a member of the nominating committee of the National association.

### Has Four-Point Program

In accepting his new office, Mr. Collins said that he would keep four things in mind: The best interests of the association, the rights of membership, the responsibility of the group to assume and the public, and the cooperation of the association with companies. He assured the membership that all signified to a continued expansion of the market and a new peak ought to be reached in all lines. He said that the organization would continue its active defense of the agency system which has already been instrumental in bringing about the discontinuance of certain advertising in subway trains and the modification of others in newspapers. He was obviously referring to some of the savings bank life insurance advertising.

Mr. Satterfield, a former congressman and member of the House judiciary committee, talked on the need for developing inner qualities of character "which will enable us to use our industrial and commercial wealth to best advantage. He said that this country vitally needs people who understand the American form of government and the American way of life and who will help others understand it. Agents, with their many public contacts, can be a great force in revitalizing the spirit of the people in support of the democratic concept of government.

Guests of honor at the banquet were E. G. Johnson, vice-president of Mutual; J. S. Thompson, president Mutual Benefit; L. W. Douglas, president Mutual Life; J. P. Fordyce, president Manhattan Life; H. L. Amber, president Berkshire Life; J. A. Fulton, president Home Life of New York; and Thomas I. Parkinson, president Equitable Society.

It was announced that a speakers committee had been revived to promote speakers for outside groups such as American Legion and parent-teacher organizations. Certificates were presented to women members who had made the Women's Quarter Million Dollar Round Table this year.

A questionnaire has been distributed to members asking what organizations they and their wives belong to; what speaking experience they have had; whether they would be available to give speeches on such subjects as social security, NSLI and career opportunities in life insurance.

### Course at La Porte, Ind.

A course in fundamentals of life insurance in preparation for the C.L.U. examination, is being presented at La Porte, Ind., sponsored by the Southwestern Mishawaka extension center of Indiana University. J. Alvin Taylor, district manager of Equitable Society, is the instructor.

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## Contributes Billboards to NSLI Cause



making the total premium paid \$340.90, while dividends have totaled \$531.45 and Mr. Hutsonpillar still has his \$1,000 policy.

### Company's Oldest Policy

Mr. Hughes said the Northwestern Mutual home office has checked up and believes the policy to be the oldest held by any living policyholder and that it may be the oldest policy in the country still in force.

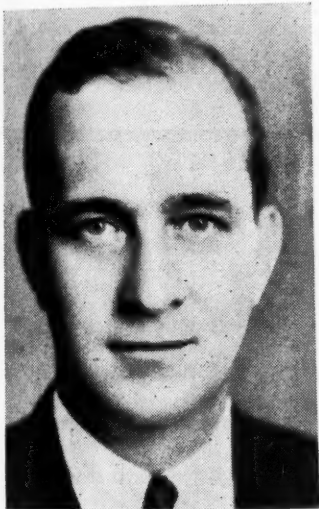
When the National Assn. of Life Underwriters held its convention in Des Moines in 1933 a search was made for the oldest policy in Des Moines at that time. Mr. Hutsonpillar won first prize in that contest.

Provident Life & Accident is using its outdoor advertising space in the Chattanooga area in support of the campaign urging veterans to reinstate and retain their National Service Life Insurance. All of the boards are identical with the poster shown above.

"Attention Veterans" and the Distinguished Service Emblem appear in gold on the deep red which covers the entire background above the horizontal white line, while "Keep Your National Service Life Insurance in Force!" and the reverse company signature are painted in dark blue.

## B. E. Balch Supervisor of Agencies of Phila. Life

Bertram E. Balch has been appointed supervisor of agencies of Philadelphia Life. He graduated from Cornell University and has been in the insurance business since 1923, except for four



BERTRAM E. BALCH

war years during which he served in the navy as a lieutenant.

He started with Ins. Co. of North America. He was subsequently made agency superintendent of Indemnity Ins. Co. of North America and traveled over all parts of the country.

## Des Moines Man, 92, Has 78-Year-Old Policy

Charles Hutsonpillar of Des Moines, 92, who purchased a \$1,000 life policy 78 years ago from Northwestern Mutual Life, was honored at a luncheon there and was presented his 67th annual dividend check. Host was J. J. Hughes, former Des Moines general agent of Northwestern. J. M. Cormack, present general agent, presented the check to Mr. Hutsonpillar, who took out the policy, a 10-pay life policy, only nine years after Northwestern was organized. It is the only policy he has ever held.

Mr. Hughes pointed out that the annual premium on the policy was \$34.09,

## What Constitutes Insurable Interest?

In discussing "Insurable Interest" at the annual meeting of the Institute of Home Office Underwriters, James D. Renn, secretary of Peninsular Life, said it is necessary to decide whether the insurable interest is such that the issued policy will be a legitimate contract and, second, whether there is an insurable interest such as to eliminate the possibility of speculation or selection against the company. The general doctrine is that the beneficiary must have an insurable interest in the life insured. There must be shown, as a basis or the contract,

some interest, pecuniary or from ties of blood or marriage, in the continuance of the life of that person. In the absence of such interest the contract is held to be a mere speculation or wager upon the duration of the life of the person insured, and void as contrary to public policy.

### Basis for Insurable Interest

As a general rule it may be stated that:

1. Every person has an insurable interest in his own life to such amount as

(CONTINUED ON PAGE 15)



It is now about 18 months since I became a member of the friendly Franklin, and I feel that I must write and thank you for the opportunity you gave me. After having "made a living" we, my wife and I, have finished paying for our home, bought a new 1946 Dodge (cash on the line) made several hundred dollars worth of improvements on our home, have bought \$10,000 of life insurance, received an additional \$8,000 of free Franklin group insurance, and have \$5,000 on deposit with the Franklin. (By the way, I don't need the money at present. Could I leave it with the Company as an interest-bearing savings account?)

\*YOU MAY HAVE THE WRITER'S NAME AND ADDRESS ON REQUEST



The Friendly

**FRANKLIN LIFE INSURANCE COMPANY**

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over \$410,000,000 Insurance in Force.

## Name Insurance Conferees in Am. Medical Association Program

WASHINGTON—Ambrose B. Kelly, chairman of the insurance group conferring with American Medical Assn. representatives on problems presented by the drive for federal compulsory health insurance, announces appointments on joint insurance-A.M.A. committees as follows:

**Committee on cooperation between insurance companies and medical service plans**—Life Insurance Assn. of America, Albert Pike, Jr., association actuary; Assn. of Casualty & Surety Executives, Neville Pilling, U. S. manager of Zurich; H. & A. Underwriters Conference, Harold Gordon, manager; American Mutual Alliance, Ambrose Kelly, Washington representative.

**Committee to study rural problems**—L. I. A., Mr. Pike; H. & A. Conference, Mr. Gordon; Bureau of Personal A. & H. Underwriters, Joseph F. Follmann, Jr., manager; American Mutual Alliance, Mr. Kelly.

Since insurance membership on the committees overlaps, it has been sug-

gested that the joint A.M.A.-insurance committees be called to meet at the same time and place. It is believed A.M.A. may prefer Chicago. The meetings will be called after consultation between representatives of the two groups but possibly not until after the November elections. Representatives of the Blue Cross are expected to be invited to attend.

Insurance representatives realize a hard problem is presented to the joint groups, particularly with respect to rural health and related coverage and/or pre-paid medical care plans. Commercial health, accident, hospitalization and surgical coverage does not go extensively into rural regions, where the population is largely low income and physicians are scarce. The same is true of private medical care plans. It is this group of the population which promoters of national compulsory health insurance point to as lacking medical care, largely, in their arguments for federal legislation.

To meet this argument, it is claimed, insurance interests will have to try to develop plans for rural coverage suffi-

ciently broad and at sufficiently low rates to sell well. Also, the medical profession will have to try to make its pre-paid care plans sufficiently attractive to rural inhabitants from the standpoint of furnishing doctors to do the job at hand and on a fee schedule within reach of such inhabitants.

If the insurance interests alone, or jointly with the A.M.A., think that satisfactory and practical rural plans can be developed, the former interests say the next question will be whether the medical profession will furnish the country doctors to carry them out and at reasonable charges.

It is thought not unlikely that the above questions will be ventilated at the meetings of the joint committees.

## Additional Features for Mutual Benefit Convention Announced; 900 to Attend

About 900 from Mutual Benefit Life's field and home office are expected to attend the convention at the Edgewater Beach Hotel, Chicago, Oct. 14-16. At the opening session, in addition to features previously announced, Superintendent of Agencies H. Bruce Palmer will announce plans of special interest to the field and Paul Speicher, R. & R. Service, will speak.

The second day, Dr. R. C. Clothier, president of Rutgers University and a Mutual Benefit director, will speak on "Responsibility and Reality."

Additional discussion group sessions announced are those on life paid-up at 65 presentation, Clay W. Hamlin, Buffalo, chairman, and retirement income and "step-by-step" sales talks, M. J. McMillen, Harrisburg agency, chairman. There will be a discussion of the new Mutual Benefit advertising campaign.

There will be special meetings of the National Associates (top ranking producers), C.L.U. association, supervisors group, and agents with less than three years of experience. The General Agents Association, headed by F. N. Winkler, Cleveland, will hold its own meeting before the opening of the general convention.

## Lincoln National Now Will Consider Diabetics

Lincoln National has revised its rules relative to acceptance of applicants under treatment by insulin for diabetes and now will consider diabetics between ages 15 and 60 for substandard insurance provided they are free from other impairments. The plan of insurance is limited to ordinary life or higher premium plans and the maximum amount is \$25,000 on any one life. Ratings will depend upon age and merits of the case.

The limit on the amount of insurance which will be issued in any one year on the selective risk plan on the lives of married women, divorcees and widows has been increased from \$2,000 to \$2,500.

## Fellers and Shugart Join Wyatt at Washington

WASHINGTON—William W. Fellers and George C. Shugart, both recently released from the armed service, have joined the Washington office of the B. E. Wyatt Co., actuaries and employee benefit consultants. Mr. Fellers becomes an actuary and Mr. Shugart is an actuarial analyst.

Mr. Fellers was previously in actuarial work for the army in connection with development of retirement programs for army personnel. After graduating from Kent State University, Mr. Fellers was employed in the actuarial department of Prudential.

Mr. Shugart did work in the army in connection with the analysis of employee benefit programs of industrial concerns having contracts with the air forces. Before entering the army, Mr. Shugart was in the actuarial division of Metropolitan Life.

## Big Policy Loan Swindle in Cal.

LOS ANGELES—Willard M. Sellick of Los Angeles, and Worthen Hillman of Pasadena, life insurance agents, both are under arrest on charges of grand theft and forgery in connection with misappropriation of moneys from the various companies they represented.

The two men are accused of putting through false applications for loans on policies of their assured, intercepting correspondence in connection with the transactions and when the checks for the alleged loans were issued, and mailing to allegedly new addresses of the policy holders (but which in reality were post office boxes rented by the accused), taking the checks, forging the payees' endorsement and using the money for their own benefit. The amounts involved in the Sellick case are said to total \$42,000 and in the Hillman case \$12,000.

While neither of the accused knew the other, their method of operation was practically synonymous.

Sellick is scheduled to appear in superior court Oct. 15 to plead. Hillman was to be arraigned for preliminary hearing Oct. 10.

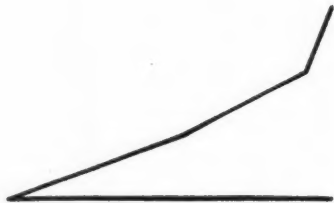
Three large California insurance companies were the ones that were allegedly tricked into making the alleged fictitious loans.

## Eastlack Fox River Chief

Allen C. Eastlack, actuary of Wisconsin National Life, was elected president of the Fox River Valley Insurance Club at a meeting at Neenah. It takes in officers, junior officers and department heads of Equitable Reserve, Aid Association for Lutherans and Wisconsin National. Walter Rugland, actuary of Aid Association, was named vice-president, and Howard Drajeska, chief accountant Equitable Reserve, secretary.

## The COMMONWEALTH Commentary

### NOT A ROCKET LAUNCHER—



But a picture of our own insurance in force over 41 years of existence—which was punctuated this week by passing the mark of

**\$300,000,000 IN FORCE**

The first \$100 million was achieved in 22 years. The second \$100 million took over 16 years more. The third \$100 million was reached in less than 4 years!

Now we turn our eyes toward the fourth hundred million, believing that we have an agency force and management team capable of overtaking that goal in still shorter time.

**COMMONWEALTH**  
LIFE INSURANCE COMPANY

LOUISVILLE • MORTON BOYD, President

Our complete training course for new men, together with a series of outstanding sales aids, has placed our newest men among our production leaders. Through the direct responsibility of the General Agent, and with Home Office cooperation, our new men get into production correctly and early.



**Bankers Life**  
INSURANCE COMPANY  
OF NEBRASKA

## Newest Business Machines Shown; Deliveries Slow

NEW YORK—Many insurance men from home offices and large agencies attended the 38th National Business Show at the Grand Central Palace in New York last week. This was the first of these shows to be held in five years and there were many new machines and ingenious office work expediting methods and forms on display.

Immediate delivery of the new creations can be promised in very few cases. Most of the manufacturers are from two to three months behind in filling their present orders and believe that it will take the remainder of this year and possibly some time into 1947 to clean up the backlog of orders now on hand. Sometimes a manufacturer can deliver his own product but is held up by the difficulty in getting electric motors to drive the mechanism.

### Many Duplicating Machines

Duplicating machines were particularly numerous in the display. The backlog of orders for all kinds of equipment used to get written messages out to the public indicates that business enterprises are planning very vigorous sales effort to take up any slack which may appear in the flood of orders now being received for almost any product.

Several manufacturers of equipment indicated that the insurance market would receive their special attention just as soon as the present over-all demand begins to go down. At the present moment there is little intensive cultivation of any specific market because most companies cannot fill the orders they now have on hand.

### Chicago C. L. U. Group Embarks on Lecture Series

The Chicago C.L.U. chapter Monday evening launched a series of four periods devoted to business insurance matters, the lecturer being Mark Massel, lawyer and accountant of the Chicago law firm of Bell, Boyd & Marshall. About 75% of the chapter membership registered for the course, the charge for which was \$10. Ben H. Groves, Travelers manager, is in charge as head of the special activities committee.

At the opening session Mr. Massel went into the matter of reading the balance sheet to judge a company's position and explained how business insurance is carried on the books of a corporation.

Next Monday evening he will take up reconversion problems, Oct. 21 employment contracts and Oct. 28 corporation vs. partnership.

Another integrated series of lectures is planned tentatively for January on law and there probably will be another series in April.

Accounting is a way to describe a business, Mr. Massel said, and a simple, cleverly-devised mathematical system which balances automatically. Laymen and corporation officers often misuse financial statements by reading into them meaning not intended, a situation caused by their reluctance to admit ignorance of technicalities of the accounting.

Mr. Massel emphasized "market price or cost—whichever is lower" as the guiding principle of inventories. He introduced an entirely new concept when he mentioned "LIFO" and "FIFO," respectively, "Last-in, First-out" and "First-in, First-out," meaning a company may have the choice of selling first the last items purchased, or selling the first items purchased before selling later purchased items. Profit-loss statements usually vary according to which system is used.

Of special insurance interest was a discussion of how insurance is shown on financial statements. Life insurance

cash surrender value is shown in the statement, but policy face value is shown only in a footnote, careful reading of which is necessary to comprehend any accounting presentation. At a later session Mr. Massel will explain this fully.

### Start State of Wash. Hearings

SEATTLE—Public hearings on the completed first-draft of the state of Washington's proposed recodified insurance laws will commence here Oct. 28, Commissioner Sullivan announced this week. All hearings on chapters will be in Seattle, with general hearings at key points in the state.

## Snyder Indicates Rate Not to Be Further Depressed

WASHINGTON—The hope of life insurance companies that the Treasury would increase the rate of interest on government bonds was not encouraged, when Secretary of the Treasury Snyder told New York financial writers, the other day:

"We believe that a continuance of interest rates on government securities at

about present levels is, at this time, essential for the maintenance of stability in the government bond market, upon which, to a considerable degree, business confidence depends."

However, the statement might very well be interpreted to indicate that the Treasury is not planning to reduce the coupon below 2½% for long term issues. Although the life insurance industry has been advocating a higher rate, its greatest objective has been to prevent a lowering of the present rates.

Be sure you have "all the answers", get the *Unique Manual-Digest* from THE NATIONAL UNDERWRITER.

*New England Mutual uses the GROUP CLINIC in veterans' refresher courses and new agents' training seminars alike. The practicality and success of this method is attested by the production records of its "students."*



**FIRST**  
**THEY LEARN**  
**THEN**  
**THEY EARN**

Two years ago, in anticipation of the war's end, New England Mutual began to build a new educational program to bring its own returning veterans up to date and to give thorough preparation to those entering the business for the first time.

Modern techniques were studied and a streamlined ten-day seminar was developed to round out agency training. In the past eighteen months, the Company has conducted ten such courses at the Home Office, five for veterans, and five for new agents—nearly 200 men in all.

How are the "students" making out, back in the field? It is now possible to appraise the production of the 87 veterans who graduated from the first four courses, and their records tell the story. *These men are now paying for new business at an average rate of better than \$250,000 a year.*

# New England Mutual

## Life Insurance Company of Boston

George Willard Smith, President

Agencies in Principal Cities Coast to Coast

THE FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA—1835

## Practical Tips on Reinstatement Procedure Are Given by Don B. Semans

Practical advice on reinstatement underwriting was given by Don B. Semans, chief underwriter and assistant secretary of Lincoln National Life, in addressing the convention of the Institute of Home Office Underwriters at Edgewater Park, Miss.

The objective should be, he said, the reinstatement of the greatest possible percentage of desirable business on a basis which will give the company a satisfactory mortality.

Since the acquisition costs have already been paid, the selection may be somewhat less stringent than for new business. A 60% mortality on the American Experience Table may give more satisfactory results than a 50% mortality provided there is one-third more business reinstated. This means that borderline cases can be reinstated freely and even those which would ordinarily be rated for mortality of 125 to 137½%. This is assuming that the average size of the lapsed cases is not substantially higher than the average size policy of the company.

It is customary to consider reinstatement on the basis of a simple statement of health when the lapse has not been for more than 90 days. Some companies may extend this period, particularly for small amounts. Thereafter, a short form or long form medical is usually required unless the risk is eligible for consideration under the usual non-medical rules for new business. Lincoln National inspections are secured if indicated by the character of the case or as a matter of routine in cases of \$25,000 or more.

When there is a considerable period of extended insurance in force, it is usually advisable to reinstate and have the policy on a premium paying basis even though the risk is impaired. The minimum period justifying such a procedure is considered generally as three years, and some companies specify five years. Special consideration should be given in these cases if the policy contains a disability or double indemnity provision.

The company should be able to value

all phases of insurability including occupation, aviation hazard, habits, etc., and not just the matter of the physical risk. For that reason the reinstatement clause should refer to evidence of insurability satisfactory to the company rather than to evidence of good health.

Occasionally, evidence of insurability may present an impairment or hazard indicating that disability or double indemnity should be eliminated or an extra premium charged. If so, it is advisable to decline the request for reinstatement and then to offer to consider an application for reissue and reinstatement on the modified basis. If any restriction is made in the reinstatement, the applicant and the courts might hold that the company had repudiated its contract by placing restrictions on his contractual right to reinstate. To avoid this charge, the company may refuse reinstatement of the original contract and offer another contract as of original date with such modifications as may be desirable.

As to the casual lapses, Lincoln National is strict so far as requiring an application for reinstatement is concerned. Unless settlement is made before expiry of the grace period or settlement mailed with the postmark dated prior to the expiry, an application for reinstatement is required. "If we wish to be liberal, we do so in our action on the application rather than waive the application," he said.

Lincoln National does not actually secure the cases from files unless there is something unfavorable developed in the application for reinstatement or otherwise. The accounting department when attaching the reinstatement date sheet records information regarding amount, disability, double indemnity, rating if substandard, and any notation which may have been placed on the card for consideration in the event of lapse. With all this information before him, the underwriter can handle many applications without calling for the cases.

In connection with restoration of disability and double indemnity benefits to

policies which provided for termination of benefits during war service, for small policies involving disability and for all policies involving D.I. only, Lincoln National will consider restoration upon completion of a special application, which asks only: "Do you now have any disease, disorder or disability?"

In the smaller cases when no impairment is admitted, restoration is effected in the accounting department without referring to the underwriting department. For policies involving larger amounts or impairments admitted on the application, additional evidence of insurability may be required. For example, an examination is required when a policy is for \$5,000 or more with income disability. These cases are referred to the underwriting department for approval.

## Immerwahr on Government Pension Trust Staff

WASHINGTON—The internal revenue bureau has added a fourth actuary to its staff on pension trusts. He is George Immerwahr, formerly with the social security board. E. A. Sellers, formerly with Guardian Life and later with the social security board, heads the staff.

Representatives of life insurance interests and government officials report no conclusion or action on the question of taxation to employees of that portion of the premium for an insurance contract issued under a pension plan that is regarded as for life insurance benefits, as distinguished from annuity. Internal revenue is understood to have proposed to exempt from tax a certain maximum amount and to subject the balance to tax.

## Vort Associate Manager of Prudential in Newark

Saul S. Vort has been appointed associate manager of the Newark ordinary agency of Prudential by Manager Charles Campbell.

He has been with the company 30 years, is a vice-president of the Life Underwriters Assn. of Northern New Jersey and a former president of the Life Agency Supervisors Assn.

## Give Timetable for L.I.A.M.A. Sessions Nov. 12-14

L.I.A.M.A. is completing plans for its annual meeting at the Edgewater Beach Hotel, Chicago, Nov. 12-14.

Benjamin N. Woodson, Commonwealth Life, is chairman of the program committee and is assisted by Lewis W. S. Chapman, director of company relations of the association.

On Nov. 11 there will be a directors' meeting presided over by Wendell F. Hanselman, Union Central Life, and L.I.A.M.A. president. Also on that day there will be a meeting of companies having under \$150 million ordinary in force, a session of the nominating committee, finance, quality business, public information, companies writing accident and health and ordinary and field personnel committees.

The reunion dinner of former members of Association of Life Agency Officers executive committee will be held that evening.

The remainder of the program follows:

### Tuesday, Nov. 12

8 a.m.—Breakfast Meeting—Education and Training Committee, Vincent B. Coffin, chairman.

9 a.m.—Committee for combination companies, Richard B. Evans, chairman.

10 a.m.—Executive session of corresponding officers of member companies of the Life Insurance Agency Management Association. Other officers of member companies will be welcome as observers.

12:30 p.m.—Opening luncheon.

2:30 p.m.—General sessions.

6:30 p.m.—Reception tendered by William M. Dewey, president, Edgewater Beach hotel.

7:30 p.m.—Dinner and meeting of the combination companies, Richard B. Evans, chairman.

### Wednesday, Nov. 13

8:30 a.m.—Breakfast meeting of new board of directors.

9:45 a.m.—General sessions.

12:30 p.m.—Luncheon for press representatives.

2 p.m.—General sessions.

5 p.m.—State representatives and committee on cooperation with other organizations, Cecil J. North, chairman.

6:30 p.m.—Dinner and meeting of member companies having under \$150 million ordinary in force, Frank L. Barnes, chairman.

### Thursday, Nov. 14

9:45 a.m.—General sessions.

2:30 p.m.—Meeting of companies writing accident and health and ordinary insurance, William M. Rothaermel, chairman.

2:30 p.m.—TWI training seminar, James R. Adams, chairman.

### Friday, Nov. 15

9:30 a.m.—TWI training seminar.

2 p.m.—TWI training seminar.

## Insurance Speakers at Ill. Chamber of Commerce Meeting

The annual meeting of the Illinois state chamber of commerce will be held Oct. 14-15 at the Hotel Continental, Chicago.

Among the speakers on the afternoon of the second day will be G. E. Biggs, Washington, D. C., director of federal state relations, federal security agency. His subject will be "Should Social Security Include Disability Benefits?" W. L. Milliman, New York, second vice-president and associate actuary of Equitable Society, will speak on "Disability Insurance at the Crossroads."

## Sellman Back to Monmouth

Henry G. Sellman, who has been actuary of the Tennessee insurance department, has returned to his former home at Monmouth, Ill. He was at one time actuary of Illinois Bankers Life of Monmouth.

## N. Y. State Meeting Nov. 14-15

The fall meeting of the New York State Life Underwriters Assn. will be held Nov. 14-15 in Binghamton.

The BRIGHT SPOT  
of OPPORTUNITY  
for a high-grade man  
RIGHT NOW is..

DES MOINES  
(Iowa)  
MICHIGAN CITY  
(Ind.)  
JOHNSON CITY  
(Tenn.)

AMERICAN UNITED LIFE INSURANCE COMPANY

Established 1877



Indianapolis

## SEC Traces Savings Via Insurance Route

WASHINGTON—The Securities & Exchange Commission reports that individuals added \$900 million to their equity in government insurance, \$800 million to their equity in private insurance, during the second quarter of 1946.

The report shows that total insurance and pension reserves included in gross savings by individuals were \$2.9 billion in 1940, \$3.8 billion in 1941, \$4.9 billion in 1942, \$6.9 billion in 1943, \$8.2 billion in 1944, \$8.8 billion in 1945. For the first quarter of 1946, such savings are listed at \$1.5 billion, and for the second quarter of the year, at \$1.7 billion.

These figures include both private and government insurance.

## Schergens Named Assistant to Paul M. Williams

William J. Schergens has been appointed assistant general agent in the Indianapolis agency of Aetna Life by Paul M. Williams, general agent.

Mr. Schergens has been associated with Aetna Life since 1938 and was made agency supervisor in 1943. During



WILLIAM J. SCHERGENS

that year he attended the home office life school and won high honors. He is a native of Tell City, Ind., and a graduate of Indiana University (1933).

In his new duties he will be assisted by Wyman E. Perry, supervisor, who has been a member of the agency since he returned from overseas a year ago. Mr. Perry was an agent in Evansville, Ind., prior to joining the armed forces. Both will be responsible for production, agency development and recruiting.

## Chronic Alcoholism Held "Self-Inflicted Injury"

PHILADELPHIA—Holding chronic alcoholism a self-inflicted injury, Judge Claude T. Reno of Pennsylvania supreme court denied waiver of premiums and payment of monthly benefits for total disability under a Mutual Life policy held by Allen G. Lynch, an attorney who the court heard had to give up his practice because of excessive drinking. The case was appealed from a similar decision by the Allegheny county court in Pittsburgh.

## Policy Provision Reviewed

Referring to a clause in the policy which denied disability benefits and premium waiver if disabilities were self-inflicted, Judge Reno said: "Our deci-

sion is that the evidence which the trial judge found justifies the conclusion that the disability suffered by this insured was self-inflicted."

Declaring that "the act of drinking consummates the intention to experience the effects of drink," Judge Reno added: "If a sane man chooses to loose destructive forces upon himself, the law will not relieve him from his folly. Neither he nor those claiming under him can profit by a self-inflicted injury."

## Danner, Winston Promoted

U. S. Life has appointed Paul R. Danner as director of agencies, foreign agency division, and Alfred H. Winston as assistant director of agencies, Latin American division.

A graduate of Harvard, Mr. Danner was until recently director of the Latin American division with headquarters at Havana. He was appointed to that position upon his return from three years of internment in a Japanese concentration camp.

In addition to his new duties, Mr. Winston will continue as manager of the branch at Havana. Mr. Winston entered the business in 1937 as an agent. In 1939, he was appointed an agency assistant at the home office and later was transferred to Cuba.

## Publicity Avalanche on British National Insurance Scheme

The expanded national insurance systems introduced in Britain and involving a much higher weekly premium rate from employers and employees alike, took effect Sept. 23 and were preceded by an immense publicity campaign.

So far the arrangement involves only the first stage of the scheme, which is the raising of the old age pensions and the increase in the contributions payable by all workers.

A great publicity drive, involving the use of national and provincial press, trade, technical and trade union journals, 150,000 posters, 10 million leaflets and one-minute trailer films, press conferences and a broadcast by the minister have been organized.

The theme of the publicity is "Increased Contribution for Increased Benefit."

## Reaches \$300 Million

Commonwealth Life has now passed the mark of \$300 million of insurance in force. It achieved \$100 million in

force in its first 22 years, the second \$100 million in force in 16 more years, and piled up the third \$100 million in less than four years.

## Strong Resigns: Keetch Is New Texas Actuary

H. Raymond Strong, who has been actuary to the Texas board of insurance commissioners since 1942, has resigned to enter the consulting actuarial field at Dallas.

G. Y. Keetch, assistant actuary since January and a 1936 graduate of University of Texas, has been named to succeed Mr. Strong. Mr. Keetch was with Pan-American Life for four years and was later connected with Travelers until he entered the navy. He served as a lieutenant on a destroyer and saw action in the Pacific.

## Nicewarmer to Texarkana

National Equity Life of Arkansas has appointed L. V. Nicewarmer, Jr., general agent at Texarkana. His offices will be at 108 East 3rd street.

Mr. Nicewarmer, whose father has represented Mutual Life for 35 years, has recently returned from nearly five years in service.

# THE WORD GOES 'ROUND



When two business women talk about life insurance you may be sure they'll mention that the Prudential allows the *same* disability benefits—Waiver of Premium in the event of total and permanent disability—to women as it does to men.

Of course, that coverage applies until age 60, and is regularly included in all standard rated policies.



**THE PRUDENTIAL**  
A MUTUAL LIFE INSURANCE COMPANY



**INSURANCE COMPANY OF AMERICA**  
HOME OFFICE . . . NEWARK, N. J.

## Conn. State Employees Hear Allyn Extoll Group Life

Commissioner Allyn of Connecticut spoke on "The Value of Group Life Insurance" at the annual convention of the Connecticut State Employees Assn. in Hartford. As chairman of the N.A.I.C. life committee, Mr. Allyn was successful in engineering adoption by the N.A.I.C. of a revised definition of and new standard provisions for group life insurance.

## Mixup on Vice-Chairman of Commissioners' Group

Although an issue probably will not be made of the matter, attention has been directed to the fact that Newell Johnson of Minnesota has been appointed vice-chairman of the executive committee of the National Assn. of Insurance Commissioners, although the constitution provides that this office shall be held by the immediate past president, who is J. M. McCormack of Tennessee.



The hustle and bustle of these unsettled days sometimes causes one to lose his perspective—his sense of values becomes a jumbled hodge-podge. As with individuals, so it is with companies making giant strides in financial gains. They often forget that a competent, aggressive sales force is largely responsible for company success.

*We, at Ohio National, are ever aware of the all-important role our Underwriters play. That is why we stand behind them ready to offer a helping hand, or provide assistance when requested. Sales helps, direct mail campaigns, planned presentations, plus advice and counsel, are just little things that we and every other insurance company offers. But we pride ourselves on giving that extra "something" that makes for a truly successful underwriting career.*

### THE OHIO NATIONAL LIFE INSURANCE COMPANY

T. W. Appleby, Pres.

Cincinnati, Ohio

\*F. F. A.—Field Force Achievement

**THE OHIO NATIONAL  
LIFE INSURANCE COMPANY**

CINCINNATI, OHIO



**Dominion Life**  
ASSURANCE COMPANY  
Since 1889  
HEAD OFFICE—WATERLOO, ONTARIO

SPECIAL PLANS FOR SPECIAL NEEDS

## LIFE AGENCY CHANGES

### Continental Names Haas in Brooklyn

Carl E. Haas has resigned as Brooklyn general agent of Mutual Benefit Life to become general agent for Continental Assurance in Brooklyn. Mr. Haas has been active for years in life underwriters and managers association work, having been chairman of the first agents' training course given by the New York City Life Underwriters Assn., a member of the faculty of the life underwriters course for the preparation of new agents to qualify for agents' examinations since its inception, and a charter member and president of the Brooklyn Life Supervisors Assn. He is a C.L.U.



Carl E. Haas

Mr. Haas is Brooklyn chairman of the state Kiwanis baseball federation and directs the organized baseball activity of 800 boys who play on 38 baseball teams.

From 1936 to 1939 Mr. Haas was connected with the Kee agency of Mutual Life in Brooklyn as educational director. The C. B. Knight agency of Union Central made him manager of the Brooklyn branch in 1940. He started as a soliciting agent in 1930. In June, 1945, Mr. Haas was appointed general agent by Mutual Benefit and started a new agency. In his first year he paid for over 180% of his quota.

### Metropolitan Names Four Managers in East, South

Metropolitan Life has made four district manager changes in the east and south.

Paul J. Riley has been named manager at Homestead, Pa., succeeding Myron F. Donahoe, who has been appointed Southwark district manager at Philadelphia. Mr. Riley formerly served as field training instructor in the Penn state territory. Mr. Donahoe succeeds the late Joseph F. Martin. A native of Phillipsburg, Pa., Mr. Riley joined the company in 1931 at Pittsburgh as agent, and was appointed assistant manager of that district in 1939, a post he held until he was named field training instructor in the Penn state territory.

Mr. Donahoe, a native of Scranton, Pa., joined Metropolitan in 1919 as agent in Philadelphia, was named Woodbury, N. J. assistant manager in 1922, subsequently holding that position in other company districts until 1943 when he was named manager at Homestead.

### Anderson Nashville Manager

John F. Anderson has been appointed Hermitage district manager at Nashville, Tenn., succeeding James F. Eubanks, who was transferred to Birmingham. Mr. Anderson is a native of Hattiesburg, Miss., joined the company as agent in 1934, was promoted to assistant manager in 1936, and in 1940 was named a field training instructor. In 1943 he was promoted to field training supervisor in the southern territory, and later shifted to the same post in the south central territory, the job he held until named manager at Nashville.

Marion Tamerlin and Eugene O'Neill have been named field supervisors in Mr. Anderson's former territory. John Zurlo takes Mr. Riley's place as field training instructor for Pennsylvania. All three men have been in the home office agency department.

### Chandler Berkshire Baltimore G. A.

Berkshire Life has appointed Frank Chandler as general agent at Baltimore.

He succeeds John A. Menton, who will devote his entire time to personal production and the general insurance business.

Mr. Chandler is a graduate of Johns Hopkins University. He was with the Burroughs Adding Machine Co. until 1937, when he joined Connecticut Mutual at Baltimore.

He served in the army air corps and when discharged was a major.

Mr. Chandler returned to Connecticut Mutual a year ago and has been one of the leading producers for the agency.

He is immediate past president of the Lions Club in Towson, Md.

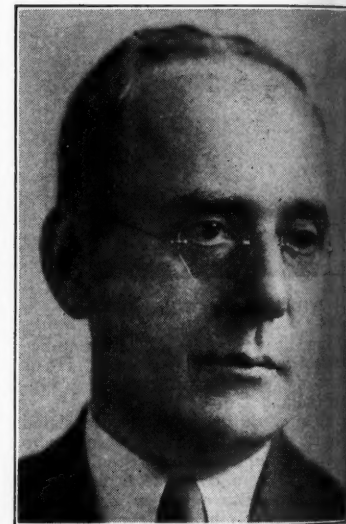


Frank Chandler

### Smith Leaves Mass. Mutual Louisville Post to Enter Personal Selling Field

W. Scott Smith, general agent at Louisville for Massachusetts Mutual Life since 1938, has resigned as general agent in order again to take up personal selling in St. Louis. He formerly was at St. Louis for Massachusetts Mutual.

Mr. Smith has held several offices in the St. Louis Life Underwriters association,



W. SCOTT SMITH

among them the vice-presidency and was prominent also in the Missouri association, serving terms as 2nd and 1st vice-president.

He has been an outstanding figure in the Massachusetts Mutual. For years he was a leading producer at St. Louis and in 1933 and 1934 served as 1st vice president of the Massachusetts Mutual Agents Assn. The following year he was elected president.

In recent years Mr. Smith has served as president of the General Agents and Managers Assn. of Louisville and as chairman of the program committee of the Kentucky association.

### Sun Life N. J. Appointments

Boucher Wright, Newark manager of Sun Life of Canada, has appointed E. Sheridan, Jr., district supervisor in Bergen and Hudson counties, with headquarters at Jersey City. He has been with the agency about 15 years. H. R.

fromwell, with the company about 20 years, most of that time with the Newark agency, has been appointed to a similar position at Paterson.

Robert Horn, who has been at the home office, has joined the Newark agency as assistant branch secretary.

### L. Boyd Succeeds Father

Robert L. Boyd, son of the late Lowell T. Boyd, who was general agent at Kokomo, Ind., has been appointed by Equitable Life of Iowa as area supervisor for the northern half of Indiana. The company took over operation of the Kokomo agency, following Mr. Boyd's death, appointing the son as agency supervisor, in which capacity he will manage the business.

### Mullan Named at Toledo

Old Line Life has appointed George W. Mullan general agent at Toledo. He entered insurance there about seven years ago, majoring in casualty lines, and joined Old Line Life's accident and health department two years ago. He has appointed life department district agent last March.

### George Goes with Federal

Sam George has been appointed Dallas district manager of Federal Life. He

formerly was deputy state labor commissioner for Dallas and north Texas area and also served in the labor relations department of North American Aviation.

### Furstenberg Wichita Manager

Security Life & Accident has appointed Frank E. Furstenberg manager

at Wichita. He has been writing life, accident and health insurance there for many years.

Mark Arnold has been named manager at Kokomo, Ind., by Western & Southern Life. He has been with the company since 1930.

promotion manager, in conducting the sales training schools, and also will prepare training and sales promotion material.

### Beardshear Now on Job at Ohio National Life

CINCINNATI — Albert N. Beardshear, newly appointed manager of field service for Ohio National Life, has assumed his new duties. He graduated from Denison University in 1938 and has served as secretary - manager of the Chamber of Commerce at Newark, O. He served four years as a navy lieutenant.

Mr. Beardshear has served as secretary of the Community Chest, and Merchants Assn.; secretary of the Executives Club, and advising secretary of the Newark Junior Assn. of Commerce.

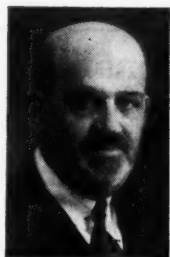


A. N. Beardshear

## AMONG COMPANY MEN

### W. H. McBride Is Soon to Retire

William H. McBride, vice-president of National Life & Accident, is preparing to lay aside his business uniform Feb. 1, he told his friends at the American Life Convention meeting at Chicago this week. Mr. McBride was formerly vice-president and actuary of his company, but a year or so ago gave up his actuarial responsibilities and since then has been a plain vice-president.



W. H. McBride

He was born in Kansas in 1877 and was educated at Kansas State Normal School. He served as secretary of the old International Life from 1909 to 1910 and then for four years was in consulting practice. He was actuary of Central States Life from 1914 to 1919 and in the latter year his association with National L. & A. commenced. He went with that company as actuary.

and only woman to have been president of the employees' association. She is a graduate of Smith College.

### Frowick to Supervise Education

Roy A. Frowick, assistant in Bankers Life of Iowa sales training department, has been named educational supervisor in connection with the increased number of sales training schools being held. He joined the company in 1927, serving continuously since then with the exception of 25 months army duty in the recent war. Since 1937 he has been in the sales training department. Mr. Frowick will assist T. H. Tomlinson, sales

### Thompson Succeeds Baldwin as Assistant Secretary of Mutual Benefit Life

Robert W. Thompson has been elected assistant secretary of Mutual Benefit Life to succeed Eugene D. Baldwin, who is retiring after 51 years of service. Mr. Thompson joined the company in 1902 and has been in the renewal department for 43 years.

Mr. Baldwin joined Mutual Benefit at age 16 in the bookkeeping department. Later he attended New York University where he studied law. His entire time with Mutual Benefit was in the renewal department, having been appointed head of the department and made an officer in 1939. Mr. Baldwin served as first president of the Veterans Club when it was organized in 1922 and also as first president of the Pelican Club.

He was honored at dinners at the University Club in New York and at the Robert Treat Hotel in Newark and at a departmental reception in the home office by groups of associates. Parting gifts included a camera and photographic equipment.

### Geo. McNamara Advances, Mrs. Motheral Retires

George McNamara is named administrative assistant in the actuarial department of Mutual Life, and Mrs. Annie M. Motheral has retired as assistant actuary.

Mr. McNamara joined Mutual Life in 1930 as an office boy in the actuary's department. He won advancement and has passed four of the five examinations required for associate member of Actuarial Society of America. He served in the army and was discharged as a first lieutenant last December.

Mrs. Motheral—then Annie E. Mather—joined Mutual Life in 1918, as a clerk in the actuary's department. In 1925 she became a fellow in Actuarial Society, the second woman to so qualify. She was the first woman to hold such a high post in Mutual Life, and the first



"What'll we do, Paw? The insurance we took out to send Zeke to college—and here he ain't out of 8th grade yet!"

## Bankerslifemen Know How to Handle Unforeseen Situations

Flexibility in a life insurance program will do wonders for making the program meet unforeseen circumstances. Knowing how to provide such flexibility while covering foreseeable needs takes understanding of all the possibilities within any form of life insurance. That's one place where Bankerslifemen shine.

Trained through an extensive course of study and schooling, Bankerslifemen have the technical information to understand what can be done through life insurance. Their supervision and experience in the field qualify their knowledge of how these various benefits can be best applied.

The training, experience, and qualified judgment which gives Bankerslifemen the ability to build flexibility into insurance programs makes them the sort of insurance underwriters you like to meet as friends, fellow workers or competitors.

**BANKERS Life COMPANY**  
DES MOINES

**WEEKLY NEWS-CAST**

THE NEW PRINTING OF OUR "READY REFERENCE POCKET MANUAL" IS SLATED FOR DELIVERY ABOUT NOVEMBER FIRST—AND WE THANK THOSE WHO HAVE BEEN PATIENT WITH US DURING THE MONTHS OF DELAY.

THE FIRST PRINTING of the new edition of this extremely popular and useful handbook was exhausted late in June. But then the presses were crowded with the Career Course—and a second printing of the Manual had to step aside.

ON THE SECOND PRINTING, we have brought up to date the sections dealing with N. S. L. I. and have made other slight changes. But no changes which would invalidate the sales and field reference value of the first printing were made.

IN PREVIOUS YEARS THOUSANDS OF MANUALS HAVE BEEN USED AS YEAR-END GIFTS FROM COMPANIES AND AGENCIES TO FIELD MEN. IF YOU HAVE THIS THOUGHT IN MIND, PLEASE WRITE US SO WE CAN MAKE CERTAIN YOUR NEEDS WILL BE MET.

PAUL SPEICHER  
Managing Editor

**THE INSURANCE RESEARCH & REVIEW SERVICE**  
INDIANAPOLIS

# STOP - LOOK - AND LISTEN!

## STOP...

to think about your future. An opportunity exists in the life insurance business such as never existed before. Perhaps your future lies in this great field.

## LOOK...

at the record of The Minnesota Mutual Life Insurance Company. During the first eight months of this year our gain in Insurance in Force was approximately 200% over the corresponding period last year. That means our field men's earnings were correspondingly great.

## LISTEN...

to a few words of wisdom. The same amount of selling effort means more when tied to the selling methods that account for the progressive, constant and rapid growth of a firm like Minnesota Mutual.



Write for full particulars.

## The MINNESOTA MUTUAL LIFE INSURANCE COMPANY

ST. PAUL 1, MINNESOTA

## A TRIBUTE TO THE WINNERS OF 1946 QUALITY AWARD

The Atlantic Life, recognizing that quality business can come only from quality underwriters, pays tribute to twelve of its associates who have distinguished themselves by qualifying for a position among the select group of quality award winners for 1946. We are proud to recognize the following twelve men for their ability as outstanding life underwriters:

Earl W. Bryant Boykins Agency	Chas. H. Garrison Greenville Agency	Hugh B. Thornton Florence Agency
Clayton Demarest, Jr. Baltimore Agency	James G. Hunter Harrisonburg Agency	Jas. E. Williams Petersburg Agency
R. L. Dobie Norfolk Agency	Geo. T. King, Jr. Richmond Agency	W. D. Willis Rock Hill Agency
R. N. Flickinger Norfolk Agency	Horace F. Sharp Richmond Agency	Frank Van Keuren Columbia Agency

Atlantic's base salary and incentive commission plan of operation offers a real opportunity for the career life underwriter.



## ATLANTIC LIFE INSURANCE COMPANY

Richmond, Virginia  
Organized 1899

DIRECTING THE WAY TOWARD FINANCIAL SECURITY  
SINCE THE TURN OF THE CENTURY.

## Kilgour Ascends in North American, Can

John S. Kilgour has been named general counsel and secretary of North American Life of Toronto. This follows the recent retirement of William G. Galloway, secretary since 1929. Mr. Galloway had been with the company 47 years.

Formerly Assistant Secretary

Mr. Kilgour, assistant secretary since 1942, has been acting as legal adviser. He joined North American in 1939 and served three years in the army. He is

a graduate of McMaster University and Osgoode Hall law school.

John T. Bryden has become executive assistant. He joined the investment department in 1929, upon graduation from the University of Toronto. He has been assistant treasurer since 1934 and assistant secretary and executive assistant since 1944.

In 1940 he was on loan to the Dominion government preparing financial statistics for the Dominion provincial conference.

A. Stevenson Burton has been appointed assistant treasurer. He is a graduate of University of Toronto and joined the company in 1931 following seven years with Massey-Harris Co. He has been head of the securities division.

## LIFE SALES MEETINGS

### Beneficial Life General Agents Meet at Salt Lake City

General agents of Beneficial Life of Utah met last week at the home office for a three day convention. Clyde J. Summerhays, superintendent of agencies, presided. Home office department heads participated with general agents in discussions having to do with every phase of agency problems.

A luncheon was held each day for the group and attended by wives. At the first session Mr. Summerhays reported a 60% increase in production this year over last and predicted that in 12 more months the company will pass \$200 million in force. He announced several revisions and liberalizations of settlement options.

Ralph J. Hill, newly appointed general agent at Seattle, was introduced.

Also at the first session, George J. Cannon, executive vice-president, and George Vernon Ricks, general agent at Boise, Idaho, were speakers.

The sessions were broken down into general subjects, with several speakers covering several phases.

#### Distribution of Insurance

Under "Distribution of Life Insurance" there were six talks. Roy Utley, Los Angeles, covered term; L. D. Greenwood, Idaho Falls, 20-pay life; A. W. Stock, Aston, Wyo., ordinary paid up at 65; David Peterson, Ogden, Utah, ordinary; Allen Cameron, Phoenix, endowment at 85; and Thomas L. Smart, Portland, Ore., endowment at 60.

James J. Larson, assistant secretary; C. P. Hilton, general agent at Denver; and A. M. Steed, general agent in Glendale, Cal., covered "Incompleted Business."

"Sound Finance" was handled by W. M. Anderson, assistant treasurer; Harry J. Syphus, home office general agent; and E. P. Watkins, secretary.

At the final session Charles J. Taylor, general agent in Oakland, Cal., spoke on selection of agents; and William M. Rigby general agent, Sacramento, Cal., "Agents Advertising;" and Raymond Johnson, assistant secretary, announced liberalized settlement options.

### Mutual Life Managers Meet

A regional conference of managers and assistant managers of Mutual Life was held at Asheville, N. C., with representatives of the major agencies in the southeast attending. Subjects discussed were: Selection and training, compensation plan, field underwriting, new plans to meet current problems and recent changes in the National Service Life Insurance act.

Roger Hull, vice-president and manager of agencies; D. D. Briggs, superintendent of agencies, and Ward Phelps, director of training, led the discussions and reviewed latest developments in company policy.

### Manhattan Life Leaders Fly to Bermuda for Rally

Ninety-one qualified members of the Manhattan Club have been invited to Manhattan Life to attend the four-day conference of the club in Bermuda Oct. 15-19, as guests of the company. The trip will be made in planes of Pan American World Airways, leaving La Guardia Field, New York, on four separate departure schedules Oct. 15, and returning on three departure schedules Oct. 19.

Members of the Manhattan Club will attend a series of meetings which will be addressed by leading general agency personal producers and members of the home office staff. There will be an "Information Please" session during which the home office personnel will be on the receiving end of questions.

Leaders in performance during the year ending Aug. 31 will be presented with engraved trophies.

Winners for the club year are: The general agent's personal production cup goes to James G. Ranni, New York.

General agency production shield to the Ranni organization.

Leader in volume is Morris Harman, Newark; leader in number of new lives, John S. LeGath, Westwood, N. J. Best record as to combined volume and number of lives, William J. Schloer, Jr., Burbank, Cal.

The banquet will be held Oct. 18. The home office contingent will include J. P. Fordyce, president; Thomas E. Lovejoy, Jr., first vice-president; Vincent W. Edmondson, agency vice-president; Hermine R. Kuhn, first field assistant; Samuel H. Ackerman, chief underwriter and first assistant secretary; Joseph T. Schubert, assistant secretary; and Wendell Buck, assistant to the president.

### Woody Agency Holds Rally at Ocean City, N. J.

The Taft Woody agency at Harrisburg of Equitable Society has completed a three-day educational conference at Ocean City, N. J. In attendance were more than 75 agents and wives. The program included talks by Thomas A. Allison, district manager, Williamsport; District Manager Ralph Hughes, Harrisburg; Assistant Agency Manager A. E. Botsford, Harrisburg; home office representative Stuart Monroe, New York; Raymond Smith, Harrisburg; District Manager John H. Thomas, York; John H. Brown, attorney; John H. Krebs, Hanover; W. Knight, agency cashier; Douglas White, home office group representative New York; Russell G. Gohn, York; Paul S. Miller, district manager, Lancaster.

Manager Taft Woody conducted an open forum and closed the conference.

During the qualifying period of eight weeks, a total ordinary production of \$2,863,234 of new business was achieved. Leading producers were Benn Wolff, Russell G. Gohn.

### Indianapolis Life Leaders in Minnesota Hold Outing

Leading Indianapolis Life agents from various sections of Minnesota held an all-state meeting and fishing party at Alexandria, with Darwin Fuller, Minnesota supervisor, St. Paul, as host.

A sales contest for July and August brought winners' prizes to Ernest Herzog, St. Paul; Arthur M. Klinefelter, Stillwater; Martin M. Nikolai, Madison, and Edward Rice, Mankato. Curtis Fuller, St. Paul, won a prize for the largest fish caught.

A. H. Kahler, second vice-president and superintendent of agencies, and Doyle Zaring, agency secretary, attended from the home office, and spoke at the business meeting. Mr. Kahler said the company's new business in Minnesota for the first eight months was 300% ahead of the same period last year. He complimented Mr. Fuller and the men in attendance on this result.

The Minnesota men will dedicate their work until Nov. 1 in honor of Mr. Fuller and his years of service.

### American Mutual Life Has Series of Schools

Thirty-seven agents attended the series of schools held in the home office of American Mutual Life, Des Moines, between Sept. 9 and Oct. 4.

The paramount object of the school was to increase the agent's selling skill by showing him the value of working habits, planned prospecting, planned sales presentations, and the use of direct mail and sales materials. "The Essentials of Life Underwriting" pamphlets prepared by the Diamond Life Bulletins were used as texts.

Agents who attended the school will return to the field for six months field training, working in close cooperation with their general agents to adapt to their particular style of selling some of the things learned in the school. After a satisfactory performance during the field training period, they will return to the home office for another and more advanced course.

Officials and personnel from all departments had an active part in the school. Those from the agency depart-

ment were: H. S. McConachie, vice-president and superintendent of agents; Bert R. Merrill, Jr., agency supervisor, director of the school; K. C. Klein, agency secretary, and W. S. Bishop, assistant director of sales service.

### Ohio Nat'l 1947 Plans

CINCINNATI—Ohio National will hold its 1947 builders club convention at French Lick Springs, Ind., Aug. 31-Sept. 3. The company is also continuing the leaders club and quarter million dollar club, but the century milestone has been discontinued. Minimum production for builders club qualification is \$200,000.

### Reserve Life Managers Meet

A meeting of Reserve Life branch managers was held at the home office in Dallas, with 25 in attendance from Texas, Alabama, Georgia, Florida, North Carolina and West Virginia.

The meeting was devoted to sales plans for fall business with principal talks by C. A. Sammons, president; C. C. Bradley, sales manager, and Howard Mack, supervisor for southeastern states.

### Federal's Texas Men Gather

The Texas agency force of Federal Life met in San Antonio with C. B. Erwin, Texas agency manager, as host. Spencer R. Keare, executive vice-president, was in charge of the meeting. There was a luncheon, and later a dinner at the home of Mr. Erwin.

The gathering honored Chairman I. M. Hamilton, who has just turned 82. The agency had the best September in its history, with increase of 92% over the same period of 1945.

## ACCIDENT

### Wis. Plan Is Not Doomed by Doctors' Insurer

The Wisconsin State Medical Society officially and emphatically asserts that the proposed Wisconsin Physicians Service will not supplant the so-called "Wisconsin Plan" of insurance companies, but that the two will operate as competitors, both with the blessing of the medical society. It is expected, the medical society states, that the insurance plan will be more suited to the rural areas. Nevertheless, the new program of the medical society does at least put a damper on the enthusiasm of the insurance people. The medical society states that its objective is to get the maximum coverage possible throughout the state, and it sees no reason why the two plans cannot survive.

The proposed Wisconsin Physicians Service would absorb Surgical Care Plan of Milwaukee county.

### H. & A. Conference Committees Named

The expanded list of committees for the Health & Accident Underwriters Conference has been announced by President E. A. McCord, Illinois Mutual Casualty. A separate booklet has been put out this year, with a statement of the functions of each committee as well as a listing of the personnel.

Among the newer committees are those on advertising, which is to study and analyze accident, health and hospitalization insurance advertising to assist in the publication of ethical and accurate advertising matter, with H. P. Skoglund, North American Life & Casualty, as chairman; social insurance, to determine the attitude of the conference on matters pertaining to social insurance

(CONTINUED FROM PAGE 39)



## A NEW HORIZON

... For Dads Who Can Dream

THE FATHER who himself owns big policies and pays big premiums is quick to catch the Junior Estate idea for his children.

It takes no twice-told tale to sell him \$1,000 of endowment-like participating insurance for his son that becomes \$5,000 of Ordinary Life at age 21—with premiums as low as \$9 per thousand and no new evidence of insurability.

At the urging of such men—Dads who can dream for their children—we announce these new top limits of issue on the Junior Estate policy (ages 0 to 11, inclusive):

\$15,000 of initial protection which becomes \$75,000 at anniversary nearest 21

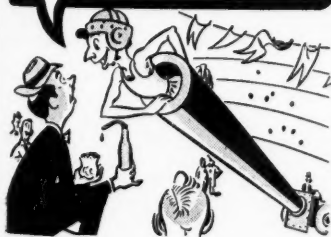
Occidental Life Insurance Company  
of California

V. H. JENKINS, VICE PRESIDENT

"We pay lifetime renewals—they last as long as you do"



TELL ME MORE ABOUT THE SINGLE PREMIUM DEFERRED ANNUITY GENERAL AMERICAN LIFE WRITES



It's really liberal. Here are some of its features—

First year dividend—

First year cash value

Elective retirement age

Refund or no refund plan

GENERAL AMERICAN LIFE  
INSURANCE COMPANY

WALTER W. HEAD, Pres.

St. Louis, Mo.

## Complete Protection

- Life • Accident • Health
- Annuities • Hospitalization • Group
- All-Ways

BUSINESS MEN'S ASSURANCE COMPANY  
KANSAS CITY, MISSOURI

W. T. GRANT,  
Chairman of the Board

I. C. HIGDON  
President

## EDITORIAL COMMENT

### Necessity for Intelligent Directors

It pays for a small or medium size company especially in its earlier years to give very serious thought to its directors. In many cases, directors have been chosen largely on an honor or personal basis without thought as to whether they are really competent to pass on some of the numerous questions that come up. These decisions are most vital to companies in their earlier years. The main difficulty is that many of the men selected on the directorate do not understand insurance and, therefore, find it very difficult to give an intelligent decision. The result is that companies

suffer the consequences. Some of them find it necessary to sell out to other companies, be reinsured, or probably take some other step.

If the directors were able to cast their vision ahead they probably would see the necessity of bolstering the finances just as soon as possible in order that company might have smoother sailing and make a stronger appeal to agents and the premium paying public. The character, ability, experience and sound judgment of directors mean much to a company in the years when its foundations are being established.

### That Thing Up at Hartford

To say "the bureau" takes three-fifths of one second. To say L.I.A.M.A. takes 2½ seconds. To say Life Insurance Agency Management Assn. takes 3½ seconds.

For the past year the business has been struggling to find a convenient handle for that thing up at Hartford that was once conveniently known as the bureau. And the trade press has been squandering its precious paper supply with that 15 syllabic monicker that was invented when Life Insurance Sales Research Bureau and Association of Life Agency Officers were put together.

You can't call it "agency management association" because that gets confused with agency managers association, meaning an organization of general

agents and managers. L.I.A.M.A. seems to be the only answer and a clumsier bunch of initials would be hard to get together. Besides you have to pause to think whether the initials are those of the Hartford thing or the New York thing, once known to all as Life Presidents, but now L.I.A.A. or L.I.A.A., for Life Insurance Advertisers Assn.

About the only thing that can be said in praise of the name of that Hartford thing is that for a year it has defied anyone to find a nickname for it.

If it weren't that we'd be tagged horse and buggy we would propose changing the name of Life Insurance Agency Management Assn. back to good old Life Insurance Sales Research Bureau—"the bureau" to you.

### How to Improve Press Relations

Here is an idea for better public relations which can help improve the newspapers' treatment of life insurance news through better understanding. It is for every life company president, when making public the annual report on the year's operations, to call in the local newspaper reporters who handle such news and not only tell about the company's insurance operations but about its progress in management and explain something of its management philosophy.

Such a course would help remove any idea that life company executives are stuffed shirts in an ivory tower. It would help news writers to translate to the public the company's progress. It would make them more insurance-conscious and show them that the insurance business is on its toes.

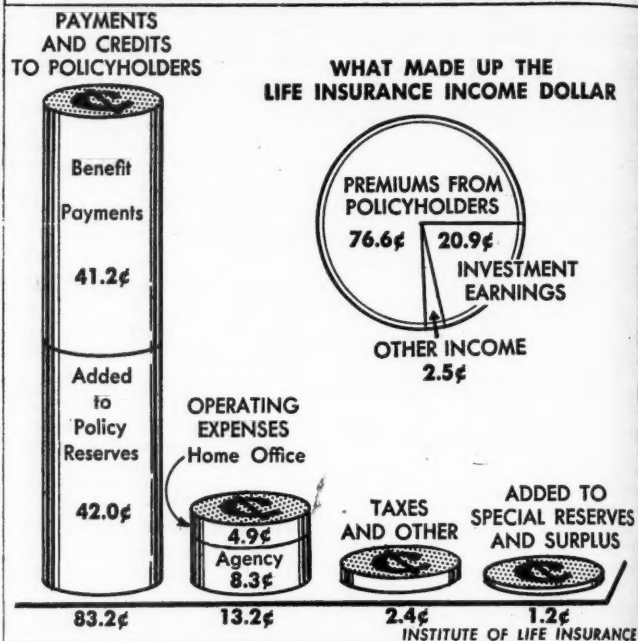
As handlers of news we can endorse

the idea as sound. Moreover, we can promote it without immodesty, for it originated not with us but with President Holgar J. Johnson of the Institute of Life Insurance.

Another good idea of Mr. Johnson's is that every company select five cities and at each bring together 200 or so of the company's policyholders, selected at random, and give them a picture of what their company is doing and of the insurance business. Such meetings have actually been held and proved successful.

This would produce 1,000 new centers of influence who would take a definite, personal interest in the company. It would also enable the president to project his influence in an effective way, helping to overcome the feeling the public sometimes has that officials of big corporations are remote and unapproachable.

## HOW THE 1945 LIFE INSURANCE INCOME DOLLAR WAS USED



## PERSONAL SIDE OF THE BUSINESS

At a gathering at the home office of Berkshire Life the officers extended to President **Harrison L. Amber**, and **Lewis B. Hendershot**, director of sales promotion, congratulations on their having completed 30 years and 15 years, respectively, with the company.

**Herman P. Jeffers**, manager of the Tice & Jeffers agency of Midland Mutual Life at Columbus, is celebrating his 40th anniversary with the company. He is dean of its field men. His agency is putting on a campaign in his honor.

The voice of **E. A. Roberts**, president of Fidelity Mutual Life, was carried from the White House at Washington to a nation-wide audience when he responded to an address by President Truman on behalf of the Community Chests of America and the United Service Organization. Mr. Roberts is the national president of Community Chests & Councils.

**Dr. Hiram H. Amiral**, medical director of State Mutual Life, visited the company's representatives in Texas.

**Dr. H. F. Laramore**, assistant medical director of Connecticut Mutual Life, was guest of G. Archie Helland, San Antonio general agent, and was host at a luncheon meeting of the company's San Antonio examiners. He also met at Austin with the examiners there. There were other meetings at Waco, Dallas and Fort Worth, the latter three meetings being under the auspices of E. F. White, Dallas general agent.

**Leslie J. Cooper**, associate actuary and tax counsel of Pacific Mutual Life, this month is celebrating the comple-

tion of 35 years with the company. He is a member of the joint committee on premium taxation and is recognized as an authority on tax matters. He is past president of the Actuarial Club of the Pacific and a member of the Los Angeles Actuarial Club and the American Institute of Actuaries.

**O. J. Lacy**, president of California Western States Life, is serving as chairman of the Navy Day celebration in the northern California valley which will be conducted at Sacramento Oct. 26-27. This is to be an impressive demonstration with many activities involving Mr. Lacy, just the other day, returned from Hawaii, he being the guest of the navy on the trip. He went out on the aircraft carrier Shangri-la and returned by navy plane. He is in Chicago this week for the A.L.C. convention.

**Glenn Morse**, associate actuary of Northern Life, Seattle, was presented diamond service pin for 25 years with the company.

## DEATHS

**Jacob M. Flegle**, 80, former St. Louis manager of Bankers Life of Iowa, died at a hospital there.

**George F. Limback**, 72, who joined West Coast Life when it was organized in 1906, just a few weeks before San Francisco was practically wiped out by earthquake and fire, died at his home in Oakland. He had been retired since

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### BRANCH OFFICES IN KEY CITIES

**ATLANTA 3, GA.**—560 Trust Co. of Ga. Bldg., Tel. Walnut 5867. Ernest E. Hess, Southeastern Manager.  
**BOSTON 16, MASS.**—80 Boylston St.—Room 1227, Tel. Hubbard 8696. William A. Scanlon, Vice-President.  
**CHICAGO 4, ILL.**—175 W. Jackson Blvd., Tel. Wabash 2704. O. E. Schwartz, Associate Manager. L. N. Yelloweas, Advertising Manager.  
**CINCINNATI 2, OHIO**—420 E. Fourth St.

**DALLAS 1, TEXAS**—802 Wilson Bldg., Tel. Central 5833. Fred B. Humphrey, Southwestern Manager.  
**DES MOINES 12, IOWA**—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.  
**DETROIT 26, MICH.**—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Resident Manager.

**KANSAS CITY 6, MO.**—605 Columbia Bank Bldg., Tel. Victor 9167. William J. Gessing, Resident Manager.  
**MINNEAPOLIS 2, MINN.**—503 Northwestern Bank Bldg., Tel. Bridgeport 7838. R. W. Landstrom, Resident Manager.  
**NEW YORK 7, N. Y.**—99 John St., Room 1103, Tel. Beekman 3-3958. Editorial Dept.—R. B. Mitchell, Eastern Editor; Kenneth O. Force, Resident Manager.

**PHILADELPHIA 9, PA.**—123 S. Broad St., Room 1127, Tel. Pennypacker 3706. E. Fredrikson, Resident Manager.  
**SAN FRANCISCO 4, CAL.**—507-9-9 Francisco Bldg., Tel. EXbrook 3054. F. W. Bland, Resident Manager. Guy C. Macdonald, Coast Editor.



1941 when he suffered a stroke. Mr. Limback served in many capacities, including superintendent of the industrial division until that department was discontinued. He had been agency secretary the last 15 years of his service with the company.

## What Constitutes Insurable Interest?

(CONTINUED FROM PAGE 5)

he may choose to value it.

2. Certain relationships of blood or marriage, such as wife to husband and parents to child afford conclusive evidence of insurable interest.

3. Other and lesser degrees of family relationships afford a presumption of insurable interest, but should be sustained by additional evidence of dependency or pecuniary interest.

4. In absence of any family relationship there must be distinct evidence of pecuniary interest in the life of the insured.

5. Assignment can be made to one without insurable interest provided the assignment is a bona fide business transaction and not a mere cover for a gambling venture.

### What State Laws Provide

Most of the litigation arises in connection with insurance purchased on the life of another.

Usually life insurance is now purchased by the person whose life is being insured, except, of course, for juvenile insurance, business insurance and insurance on married women. California and South Dakota have statutes which in effect state that one has an insurable interest in the life of (1) any person upon whom he depends wholly or partially for support or education, (2) any person under legal obligation to the insured for payment of money or services, of which death, illness, or accident might delay or prevent performance, and (3) any person upon whose life any estate or interest, vested in him, depends. A creditor has insurable interest in the life of his debtor, partners in the lives of each other, a surety in the life of his principal, or a corporation in the lives of its officers or other key men.

### Selection Against Company

In connection with possible selection against the company, speculation and moral hazard, Mr. Renn said that although from a legal standpoint an applicant has an unlimited insurable interest in his own life and can name any beneficiary of his choice, this does not mean that the insuring company can accept the risk for any amount with any beneficiary—and still stay in business. Thus overinsurance is a phase of insurable interest on insurance purchased by a person on his own life. There is also the question of speculation when a reasonable amount is applied for, but there is doubtful insurable interest on the part of the beneficiary. Designation of estate as beneficiary always brings up the question of insurable interest and who will be the ultimate recipient of proceeds. When the applicant is paying premiums it is not the practice to question "estate" as beneficiary unless the amount is unreasonable or the inspection unsatisfactory. More often the "estate" designation is temporary. However, if the amount is unreasonable the naming of "estate" as beneficiary is a red flag, warning that additional information should be secured.

### Distant Relatives as Beneficiaries

Where a remote relative such as cousin, uncle, or nephew is named as beneficiary it is well to inquire as to what pecuniary or other interest exists. It's amazing how often funeral expenses must be borne by a cousin, Mr. Renn commented. Where proceeds are payable to a church, orphanage or some charitable institution, if the amount is reasonable it is considered that the in-

sured is entitled to make such a gift without the case being speculative.

The question of insurable interest has been raised in connection with applications on the lives of Catholic priests. Ordinarily it is considered that a priest has no worldly goods and has taken the vow of poverty. However, according to L. K. Bourke of Woodmen Central Life, there are two classes of priests—order priests and secular priests. The order priests do take the vow of poverty and give up all worldly goods. A secular priest, however, is not obligated to take the vow of poverty and is permitted to receive certain remuneration for his services. Accordingly, the order priest would not be insurable due to the lack of insurable interest, but the secular priest would be insurable for an amount justified by his income. Usually the church, school, or convent is named as beneficiary. This is preferable as a relative probably would have little insurable interest.

### Juvenile, Business Insurance

In connection with insurance on children, there is usually little or no insurable interest, there is usually no speculation if the father is also carrying a fair amount of insurance, indicating his belief in insurance and his desire to start the child on the right road at an early age. In the matter of business insurance, a partner definitely has an insurable interest in the life of his partner and a corporation in the lives of its officers and other key men. The chief problem to the underwriter is to determine the present and potential monetary value. Anti-selection is strong unless the amount applied for is a fair estimate of value of the applicant to the concern.

In issuance of insurance on non-self-supporting women, whether purchased by the husband or the children, anti-selection is great. Mr. Renn said his company's experience has been highly unfavorable at the older ages on both industrial and ordinary.

## U. S. Chamber Big Pension Rallies

(CONTINUED FROM PAGE 1)

profit-sharing plans and other employee benefit plans.

"The Chamber of Commerce believes that the adoption of such plans is an important step in furthering improved relationships between a company and its employees."

A fee of \$25 is to be charged at Philadelphia. Among the sponsors of the Philadelphia conference are John A. Stevenson, president Penn Mutual Life; H. Sheridan Baketel, president Philadelphia Life Underwriters Assn.; William H. Forster, Tower, Perrin, Forster & Crosby.

### Zone 4 Officials Meet

The zone 4 commissioners were in session this week at the Edgewater Beach Hotel, Chicago. On Tuesday a meeting was held of the chief examiners of the zone, and on Wednesday a joint meeting was held of the commissioners and examiners.

Forbes of Michigan was in charge as chairman.

### United Men in New Agency

The Atlas General Insurance Agency of St. Louis has been organized by men formerly with the St. Louis office of United of Chicago, including T. J. Maxwell, president of the agency; his son, Norvel Maxwell; John E. Bell, vice-president; F. L. Corsiglia, secretary-treasurer, and Victor Zimmerman.

Maxwell, Bell, Corsiglia and Zimmerman with Floyd L. Weber and A. H. Britenbach also recently organized Shields Tornado and Shields Fire at Clayton, Mo., county seat of St. Louis county.

# OPPORTUNITY

We have excellent openings in the following territories for General Agents and consistent producers:

Arizona	Missouri
Illinois	Nebraska
Indiana	Ohio
Iowa	Oklahoma
Kansas	Texas
Maryland	Virginia
District of Columbia	

You will be especially interested in our Complete Coverage Package Plan. Also our unique Miracle Letter Lead system. And, above all else in knowing how you can create \$1,000 in renewals the second year by averaging only three Package Plan sales weekly and how in five years you can have an income that will make you financially independent. Correspondence Confidential.

HUGH D. HART

Vice-President and Director of Agencies

## Illinois Bankers Life Assurance Company

MONMOUTH, ILLINOIS

## Render your policyholders 100% Service AND INCREASE YOUR SALES

Life Insurance Sales are good . . . but the demand for accident and health and hospitalization coverage is equally brisk. When you sell both you can make more sales per call and at the same time provide your policyholders with complete personal insurance protection.

### AGENCY OPENINGS IN

Calif., Ga., Ill., Ind., Kan., Mich., Mo., Neb., N. J., N. D., Ohio and Wis.

Write today for details regarding North American Life's complete line of protection including life-time disability, accident and hospitalization coverage.

## NORTH AMERICAN LIFE INSURANCE COMPANY OF CHICAGO

C. G. Ashbrook, Vice Pres.-Supt. of Agencies  
North American Building, Chicago 3, Illinois

# A THREE-FOLD RESPONSIBILITY

Today's career life underwriters are faced with a three-fold responsibility.

1. To bring to as many American homes as possible the benefits of adequate life insurance protection;
2. To cooperate as a part of the institution of life insurance to combat inflationary talk and tendencies;
3. To counsel with all war veterans and urge that they retain their National Service Life Insurance.

Upon the execution of this three-fold responsibility today depends, to a great extent, the prestige and increased usefulness of tomorrow's career life underwriters.



## Equitable Life of Iowa

*Founded 1867*

HOME OFFICE

DES MOINES

# A. L. C. Adopts New Constitution

## Fight Against Cheap Money, for Guertin Bill, Adams Urges

### A.L.C. Head Reviews Aspects of Present Inflationary Period

The presidential address of Claris Adams, president of Ohio State Life, delivered at the opening general session of the American Life Convention, called the industry to battle on two counts,

to fight the cheap money policy inaugurated by the Treasury and supported by the manipulatory mechanism of the Federal Reserve, and to push passage of Guertin legislation to prove that independent authority can arrive at a concert of policy, and that state supervision, therefore, can survive.

Favorable as mortality may be, it cannot stem the course of rising insurance costs unless there is some relief from the artificially depressed interest rates which now obtain, Mr. Adams said. The heart of the inflationary problem is the fiscal policy of the government. The problem is interwoven with the cheap money policy and the nation is told that it must fight inflation and yet maintain the policy. Such a program stultifies itself, he declared. Prices and interest have functions to perform in our economy which cannot be prevented without incurring a penalty in proportion to the folly of the abortive attempt.

"A test of statesmanship now is the formation of a fiscal policy which will lead us down a safe declivity to normalcy instead of one which will sooner or later push us over a precipice from the heights of inflation to the depths of depression," Mr. Adams said. "Recent developments have been somewhat encouraging. A near miss at least at a balanced budget, the stress which the administration is laying upon governmental economy, the use of a big treasury balance to reduce the unduly large short term debt, the abolition of the preferential rate to banks borrowing in order to purchase government bonds, the very slight but still helpful stiffening of interest rates in the market are all constructive steps. The direction is right. We hope for greater strides."

### Time Propitious

The time is more propitious than it may be for a long time to refund at least a reasonable portion of the dangerously preponderant short term obligation in an orderly way upon a favorable basis with non-inflationary holders, the A.L.C. president declared. Such a program would help to drain from banks more of that monetized segment of the public debt still inordinately large which constitutes the dangerous inflationary potential. This can now be accomplished gradually to the benefit of the whole economy, Mr. Adams said. Delay may well necessitate a more radical readjustment in the future at a far greater ultimate cost. Such a program

(CONTINUED ON PAGE 33)

## Battery of Headliners Address General Sessions

The opening session of the A.L.C. general sessions, always a colorful affair, was more colorful than ever this year because of the artistic and eloquent oratory of President Adams on what was a very special occasion for him. Just 20 years ago as an attorney in Indianapolis, he was elected secretary and manager of A.L.C. to succeed T. W. Blackburn, who was first to hold that position. Association headquarters were moved to St. Louis and Mr. Adams' appointment heralded a new day of power and prestige for the convention.

Mr. Adams was sponsored by H. M. Woollen who was then president of American Central Life. Mr. Adams paid tribute to Mr. Woollen as his official chief and as a close and valuable friend. He called Mr. Woollen to the chair to preside while the former delivered the presidential address.

All joined in singing the Canadian and U. S. national anthems, a fitting gesture for a conference which is international in scope.

The audience, which packed the hall to overflowing, gave Mr. Adams rapt attention and punctuated his remarks with applause.

### Optimistic Report

In his report, Robert L. Hogg, manager and general counsel of A.L.C., was optimistic, saying that as yet legal reserve life insurance principles remain unassailed and so long as this is true, the problems of the business should and can be solved. No one expects to see the time when insurance has no problems, he said. The A.L.C. was founded for the purpose of dealing with problems and its existence has been justified only because of them.

The manager reported the current membership at 209. Three applications are now pending. A.L.C. now embraces companies which represent 97% of insurance held by legal reserve companies in the U. S.

Thomas I. Parkinson, president of Equitable Society, had been scheduled to speak in the next spot, but had been

unable to make the trip because of illness in his family. Philip B. Hobbs, president of N.A.L.U., who was to speak on Friday was moved into the spot.

Mr. Hobbs declared that life insurance will and must stay out of politics, because its policyholders represent a cross section of the country. It is certain that any political move will be pleasing to only 40% of the policyholders, he said.

He spoke of the great increase in public service which agents have made of late.

First speaker at the afternoon general session, Robert E. Dineen, president of the National Association of Insurance Commissioners and New York superintendent, came out with what was regarded by his audience as stronger than usual support of the Guertin legislation in New York.

"With the changes proposed in the New York modification, the bills are regarded as constructive by the New York department," he said.

The pressing problem currently facing science is the dearth of young investigators caused by the war, Dr. Eugene M. Landis, physiology professor at Harvard, declared, pointing to the establishment of a moderate number of student research fellowships by the Life Insurance Medical Research Fund as a hopeful sign.

Final speaker on Wednesday afternoon was Aubrey Harwood, vice-president and general counsel Pacific Mutual Life who said that the policyholders and company management have a joint responsibility to take an active part in government policies which affect security and stability.

### Thursday Afternoon

Following a luncheon on Thursday at which Willis Smith, Raleigh, president of the American Bar Assn., described the Nuernberg trials, the afternoon general session opened with Richard Boisard, president National Guardian Life. He concerned himself with the problems which confront small and medium sized

(CONTINUED ON PAGE 36)

## Enlarge Executive Committee; Clarke Is President

### Eliminate Standing Committees; No More By-Laws

By RICHARD J. THAIN

With the ratification of a new constitution geared to its ever growing responsibilities, American Life Convention embarked at its annual meeting at Chicago on what promises to be an era of increased influence and service.

The new constitution, unanimously endorsed at the Wednesday executive session, makes a number of changes in the conduct of the association, the most important of which are: (1) An increase in the number of members on the executive committee from nine to 12. (2) Elimination of standing committees with all committees to be appointed by the executive committee. (3) Change in the title of the manager to executive vice-president. (4) Elimination of by-laws.

The enlarged committee provision was fulfilled in the election that followed. Five new members were elected to the committee whereas under the old constitution only two would have been chosen to fill the two vacant places.

Selection of Dwight L. Clarke, Occidental Life, as president by the nominating committee was unanimously approved by the convention body as were the executive committee selections in which R. E. Sweeney, State Life, and W. E. Bixby, Kansas City Life, were re-elected to their second three year terms and retiring President Claris Adams took his place on the committee. Newly elected were H. W. Manning, Great West Life; F. W. Hubbell, Equitable of Iowa; R. R. Lounsbury, Bankers National; Cecil Woods, Volunteer State, and Frazar B. Wilde, Connecticut General.

### Remaining Members

Remaining on the committee with unexpired terms are Alexander T. Maclean, Massachusetts Mutual; R. B. Richardson, Western Life; S. J. Hay, Great National; Laurence F. Lee, Occidental of North Carolina.

Robert L. Hogg, manager and general counsel, occupies the new post of executive vice-president with no change in duties.

For Mr. Clarke, his elevation represented culmination of long service and interest in A.L.C. Mr. Clarke is a native Californian who got his business start in banking. He was executive vice-president of Bank of America in Los Angeles when he was appointed executive vice-president of Occidental in 1936.

### 752 Registered

Convention registration at mid-week had reached 752 men and 150 women. At every session the crowds were im-

(CONTINUED ON PAGE 35)



Claris Adams



Dwight Clarke

## Important Trio During A. L. C. Week



### INFORMAL GLIMPSE AT A. L. C. CONVENTION:

L. F. Lee, president Occidental Life of Raleigh and Peninsular Life of Jacksonville; J. P. Lorentzen, general counsel Bankers Life of Iowa, and T. A. Phillips, president Minnesota Mutual Life.

# Dudley Dowell Agency Section Chief

## Dangers in Over-Training, Over-Selection Outlined

In the increasing restrictions applied to selection of agents, companies should be on guard against selecting men who will solicit only the wealthier people and thus deny insurance to any class of persons, J. A. McCamus, general superintendent of agencies North American Life of Canada, declared in a talk before the Agency Section.

"There are examples of many companies having made forward moves in the selection and training of new representatives which, under present conditions, have been productive of substantial business. Nevertheless I venture to suggest that there are danger signals ahead," he said. "In our pursuit of increased business and decreased costs we must not lose sight of the worth of human values."

Adoption of such restrictions may result in more business, at an appreciably lower net cost, made available to certain sections or groups of people; but not available to less-privileged groups, he said. There is more than a possibility that the present and distressingly evident breach between capital and labor, between what has been called the classes and the masses, would be widened by the knowledge that there is insurance for the rich and insurance for the poor.

### Stresses Human Values

"Perhaps you will think I am giving undue stress to the importance of human values or human relations. Then let me remind you that it is only by an understanding of these that we earn our daily bread, not because of the beauty of our policy forms or the manifest superiority of our plans. If it were not so, then life insurance would be sold entirely by mail or across the counter with the same detached impersonality as the purchase of postage stamps.

"Nor is this appreciation of the importance of human relations confined to our outlook on the general public. It is equally required within our own organizations. Every act, every word, every letter written and every speech given; in fact, every movement made in an agency department has its impact on the relationship between head office and field. Our process of selecting manpower, our methods of training, our underwriting, our agency contracts, our policy contracts, our methods of morale-building, our production clubs, all these will, if we are far-sighted, be scrutinized minutely to ascertain their effect on the field force. For, if they are not, then the lack of such an understanding policy makes itself evident in manpower turnover, in morale, and in both quantity and quality of business written. I am no enemy of efficiency, no advocate of sentimental methods in management. But I do claim that efficiency alone dries up men's enthusiasm and fighting spirit."

This element of understanding must extend directly from management to field force and back again, without intermediaries, Mr. McCamus said. No public relations counsellors are needed to maintain proper relationships between company and field.

### Aptitude Tests Not Enough

"There is no criticism of scientific aptitude tests, but I suggest we may criticize ourselves if we expect them to do our thinking for us," he said. "They are of value when we regard them as a screen to sift out those men who have little or no chance of future success. We misuse such tests if we assume that all those who are not so eliminated will make productive personnel."

Once a company has made a final decision to admit a man, he should be

given the maximum and the best possible opportunity of succeeding, he declared. "Here, again, it may pay each one of us to scrutinize our methods of handling men at this stage. Are they too standardized, too routine? Are they being administered by men who are genuinely interested in the other man's progress and welfare? Above all, do they tend to encourage or to discourage. Are our methods as varied as are men themselves or are we still playing on a tabletop with lead soldiers? It is worth the finding out.

### Failure Hurts Business

"Directly we know that a man is not going to succeed, then he should be eliminated as quickly as possible. Any man retained in the business beyond a certain time as a failure, hurts the business, hurts the agency, and hurts himself," Mr. McCamus said.

Training of men who have demonstrated promise of success is not a matter to be left to chance. Training of adults is a matter which requires a high degree of adaptability and ingenuity on the part of the instructor. The manager who gets the best results will not use uniform methods beyond a certain point. He will be able to appraise his student, and use that type of motivation, that method of sales training, which fits his personality, his mental capacity, and his contemporary prospect group. His methods of managing each man will vary according to the man—they will be selected through an interested understanding of each man.

A salesman can be overtrained. It is, of course, absolutely essential that he be soundly trained in the fundamentals of his business, so that he does not mislead his prospect or misrepresent his policy contract. The need for further training in the theories of insurance is problematical, and depends on the type of selling he is going to do.

"I am not advocating doing less training, I am in favor of doing more. But I believe in rationalizing our methods by making them more elastic," he said. The trend among Canadian educationalists is to favor more individual methods of training to permit a greater degree of self-determination in the mind of the student and to enable the teacher to aid and encourage pupils rather than drive them. And these methods are producing excellent results.

### Commission System Fair

"I believe the commission system generally in use is a satisfactory one. It provides rewards in direct ratio to results, the fairest system known. And those who are considering the adoption of a salary system would be wise to consider all its implications. Any salary system inevitably brings about inequalities, some men being paid less than they are worth and others more. And this breeds discontent," he said.

"We still have to face the unpalatable fact that the life insurance salesman is still the most rebuffed salesman there is. The experienced man learns how to deal with rebuffs, or becomes immune to them. The less experienced man may feel them to the point of complete discouragement. I do not need to remind you that when he reaches this stage he is through.

"I suggest to you that we should face this fact, and make serious efforts to educate the general public into an increased respect for, and a greater appreciation of, what life insurance can do for them. In other words, improve the salesman's reception. I suggest, very sincerely, that we need to discard many of

### KEYNOTE BY FULLER

## Cites Dangers of Complacency to Agency Officers

With fine production, a splendid increase in insurance in force, high agency morale,



R. E. Fuller

and an unusual degree of public acceptance, agency officers today find themselves in such an enviable position that the danger is they will become complacent, Ray E. Fuller, agency vice-president Equitable of Iowa, chairman of the Agency Section, declared in opening that section of the American Life Convention. Agency officers must now gird themselves for a change. This is why the theme of the Agency Section is "New Frontiers in Life Insurance Management and Distribution," he said.

The fact that agency officers must look ahead does not mean that they cannot pause to contemplate the victories of the past. Perhaps never in the history of life insurance has its survey of present conditions offered agency department officers so much satisfaction, Mr. Fuller declared. Terminations are low with a result that insurance in force is increasing by leaps and bounds. Agency personnel, somewhat depleted during the past decade, has been compensated by increase in quality. Veteran agents have done a magnificent job. They have not only recorded increased individual production, but they have also showed a marked increased appreciation of education and training, he said. Training is not merely passively tolerated or accepted, it is now ardently sought by agency personnel.

The chairman remarked that public acceptance and appreciation of life insurance is higher at the present time than it has ever been, due to a multitude of factors. He paid special tribute to the work of the Institute of Life Insurance for its program of publicity and advertising which he characterized as one of the important factors in the development of this prestige and acceptance.

### Ladies Well Entertained

The ladies were well entertained at the A. L. C. meeting. On Tuesday afternoon there was a dramatic interpretation of "Carousel." Then followed a tea in honor of Mrs. Claris Adams, wife of the A. L. C. president.

On Wednesday afternoon the ladies were taken to a matinee to see "Dream Girl." Some went before hand to see the style show at Marshall Field & Co.

The ladies entertainment committee consisted of Mrs. Robt. L. Hogg, Mrs. R. H. Kastner, Mrs. A. N. Guertin, Mrs. L. D. Cavanaugh, Mrs. Lee N. Parker, Mrs. R. R. MacKenzie, Mrs. M. B. Cedarstrom, Mrs. Otto Elder.

our ideas about presenting life insurance to the public through our publicity, because those ideas are outworn and barren. And I suggest, equally sincerely that we strive for a willingness to consider new viewpoints and fresh ideas when they are presented to us—and even to accept what we might consider to be the unorthodox," Mr. McCamus concluded.

## Heyl Secretary, Health Forces Behan to Decline

### Frontiers Theme Proves Unusual Drawing Card

Chairman—Dudley Dowell, vice-president New York Life.

Secretary—Charles W. Heyl, director of agencies Bankers Life of Nebraska.

Lead-off speaker in the Agency Section meeting Thursday was Dudley Dowell, vice-president in charge of agencies of New York Life, who outlined changes which the war years have wrought in the life insurance market. The most general change is in the increased productivity of the economy. In this economic climate, increased indemnification from life insurance becomes a must, he said.

The fact that the number of families is increasing rapidly will increase the life insurance market even though the rate of population growth is slower, he said. The family relationship creates dependence necessitating indemnification for life.

Biggest surprise at the Agency Section came with the announcement that Joseph C. Behan, vice-president Massachusetts Life, and section secretary would be unable for reasons of health to move up into the position of chairman as was slated. In his place, Dudley Dowell, vice-president of New York Life, was elected with Charles W. Heyl, director of agencies Bankers Life of Nebraska, as secretary.

Retiring Chairman Ray E. Fuller expressed the regrets of the section members to Mr. Behan that his health forbade him accepting the honor which was his due and said that judging from Mr. Behan's performance as secretary the section missed out on top flight leadership.

This year Chairman Fuller had assigned a theme to the Agency Section "New Frontiers in Life Insurance Management and Distribution." The topic was obviously inviting, for the session was packed with a number of executives who were not directly concerned with agencies. The word had gotten around that this was to be one of the best sessions of the convention and the rumor turned out to be correct.

Eldon B. Stevenson, Jr., executive vice-president National L. & A., said that progress in scientific selection of agents makes it imperative that equal care be exerted by agency executives in selecting managers and assistant managers. The top agency executive must now not only believe in careful selection but must keep a finger on the agency pulse to demand a greater degree of definiteness in agency building. He must insist that the objectives in this direction be reduced to writing and compensated geared to attainment of these objectives.

### Stresses Human Values

Life companies in their search for profitable business must not lose sight of the worth of human values and guard against applying restrictions which would deny the broad benefits of life insurance to any class of persons. Col. J. A. McCamus, general superintendent of agencies of North American

(CONTINUED ON PAGE 37)

# HOW ABOUT THE POLICY-OWNER?

This is the question that is the final test of Life Insurance operations.

No matter what the Company, every new plan, every new undertaking, is measured in terms of the interests of the policy-owner.

In no other business we know of are the interests of the "customer" placed more in the forefront or given the preferred consideration . . . and it is a privilege to be a part of such a business.

*The*  
**NATIONAL LIFE  
AND ACCIDENT  
Insurance Company, Inc.**



# Dineen Gives Renewed Support to Guertin Legislation in N. Y.

Superintendent Dineen of New York, who is president of the National Assn. of Insurance Commissioners, in addressing the annual meeting of the American Life Convention at Chicago, stated that the Guertin bills, with the changes proposed in the New York modification, are regarded as constructive by the New York department. Mr. Dineen's endorsement of the legislation at the time is most heartening, for unless New York enacts the bills in 1947, the business will face a distressing dilemma, as the states that have enacted Guertin legislation have fixed Jan. 1, 1948, as the effective date.



R. E. Dineen

Mr. Dineen said that the bills as modified present a conservative method of solving major problems of life insurance and give much needed flexibility to a long term business, while preserving the rights of policyholders.

"The time has arrived, if it has not long since passed, to introduce modern mortality tables," Mr. Dineen stated. "We cannot stand idly by and take no action to deal with the problems arising from reduced interest rates and the unavoidable increase of legitimate expenses."

## Sets Forth Objectives

Arguments both for and against the bills, as advanced by their proponents and critics, were outlined by the speaker and analyzed in layman's language as to their validity or invalidity. The objectives of the bills were set forth as follows:

—To substitute a modern mortality table for the American experience table, which is concededly obsolete.

—To substitute a formula for computing

minimum non-forfeiture values—the "adjusted premium method"—in lieu of the present method of deducting a flat surrender charge from the reserves on the policy.

—To permit the strengthening of reserves through the medium of an "interest differential," without the obligation to guarantee additional non-forfeiture values.

Mr. Dineen said that with interest rates at an all-time low, insurers have had extreme difficulty in finding a profitable outlet for their funds, and the reduction in interest rates and consequent reduction in income to the companies have been accompanied by an increase in expenses. Inflation has increased the general operating overhead. Also the mortality gains which the companies formerly made under the American experience table would be reduced under the CSO table. Consequently, margins on mortality, interest and expenses are reduced, although on mortality the reduction is primarily one of bookkeeping,

and more apparent than real.

The existence of these margins has been largely responsible for the stability of life insurance. The public may not have understood the necessity for the preservation of these margins nor the mechanical and actuarial procedures followed in maintaining them. But it has unlimited confidence in the institution because of its record and the record could not have been achieved without adequate margins. The Guertin bills are a legislative method of providing a framework for changes in the margins necessitated by current improvements in mortality and by shrinkage in the other margins precipitated by present-day economic developments.

"The furnishing of life insurance protection could not come to a stop because of uncertainties in the future. Common prudence requires that the business should gear its facilities to meet these uncertainties in the light of present-day factors and trends, rather than upon modes of procedures still in use. It was a recognition of the need for meeting these problems which led the National Assn. of Insurance Commissioners and the industry to undertake the labor which culminated in the so-called Guertin bills."

Mr. Dineen mentioned the New York modifications of the standard Guertin bills.

Unlike the standard bills, which require that where an interest differential of more than .5% is used, a plan providing for equitable increases, if any, in cash surrender values and non-forfeiture benefits must be approved by the commissioner, the New York modification provides that such a plan must be approved where any interest differential is used.

## Must Make Special Reports

In order to prevent any circumvention of the statutory limitation on surplus, the New York modification requires companies using the interest differential to make full disclosure in their annual statements of the extra reserves generated by the use of the differential. Also companies using the differential shall furnish a schedule which will show in detail the nature of the increase, if any, in the cash surrender values and non-forfeiture benefits allowed during the year over the values guaranteed in the policies.

The standard bills permit the use of 3½% as an interest rate for the valuation of insurance and annuity contracts. The New York modification fixes the maximum rate at 3%.

The standard bills provide, in substance, that the policy must contain a statement of the method used in calculating non-forfeiture benefits. The method of computing combined benefits of basic and supplemental coverages is highly technical and is not readily incorporated in policies without destroying the simplicity of language so much desired. Under the New York modification, where tables of benefits are set forth, the detailed description of the methods of computation are omitted and are replaced by a simple statement to the effect that the cash surrender values and the paid-up non-forfeiture benefits available under the policy are not less than the minimum values and benefits required by the insurance law of this state and a statement that the method of computation of such values and benefits has been filed with the superintendent.

## Never Rejected on Merits

The bill, he said, has never been rejected in New York on its merits. Dewey, in his 1943 veto, pointed out that this was simply for the purpose of giving the administration, which had just taken office, an opportunity to study the bill further. At the 1946 session the senate insurance committee gave a full hearing to the bill, and in a public statement, the chairman announced that although a majority of the members favored the bill, the committee had decided to lay it aside for further consideration.

Mr. Dineen observed that nobody had

(CONTINUED ON PAGE 38)

# KENTUCKY HOME MUTUAL LIFE'S BEST YEAR!

In every phase of the Company's business, 1946 has already proven to be Kentucky Home Mutual Life's best year. New business written has already exceeded the volume of any previous year, and the Agency Organization is now the largest in the Company's history. Our resources have also improved very substantially, both in quality and size.

Thus, in this cheery frame of mind, we extend wholehearted good wishes to the American Life Convention.

*Kentucky Home Mutual Life Insurance Company*  
LOUISVILLE \ \ \ \ KENTUCKY

ELLSWORTH REGENSTEIN, President

# Calms Fears as to CSO Margins

## Boissard Cites Compensating Factors of Lower Interest Assumptions and Increased Loadings

The Thursday afternoon A.L.C. session took on some of the aspects of an actuarial meeting when Richard Boissard, president of National Guardian Life, delivered a thoughtful paper on the problems from the standpoint of the smaller company of the CSO mortality table, the interest rate, the expense rate and strain on surplus of new business.

Richard Boissard

Mr. Boissard said he is attracted to the CSO table and the commissioners' valuation method because it is a modern mortality table and he said he is an advocate of a valuation method that makes allowance for acquisition expense.

As to the objection, commonly heard, that the substantial mortality margins of the American Experience Table are reduced, the speaker said that some of the net premiums and reserves under the CSO table are up and some are down as compared with the American Experience table. If, in the aggregate, the company received a little less premium on the CSO basis than on the AE basis, its margins might be more or less. Being on a different table would not affect its actual mortality rate. At certain ages, plans and durations, its reserves would be lower on the CSO table. With correspondingly lower cash values, the margins might be the same, or even greater, for such a policy that voluntarily terminated.

### Weighing the Averages

To compare operations, termination rates and surrender charges have to be compared. These factors vary with age, kind of policy and duration. Hence care has to be taken in the "averages" that are used as representing the distribution of business a company expects to write.

If it is conceded that a change to the CSO table reduces mortality margins, Mr. Boissard said attention should be given to other margins to offset the reduced mortality margin. The most obvious thing to do is to assume a lower interest rate and to increase loadings where legally permissible.

The reduction in interest rate that is required to offset difference in mortality depends upon distribution of business, properly weighted average by kind of policy, age at issue, etc. Except for companies admitted in Wisconsin, higher proportionate loadings will be used in determining gross premium rates especially at the younger ages. Also help can be gotten by charging adequate rates for disability and other benefits. Provision can be made for the added cost of handling income settlement options, by being less liberal in the guaranteed value of the income and at-interest option.

He said he is satisfied that it is possible to change to the CSO table and maintain total margins of profit despite the reduction this implies in the mortality element margin.

### Defining Non-forfeiture Values

Then there is the matter of the difficulty of defining non-forfeiture values in the policy. The technical description of how these values are arrived at, he said, is like the legal description of a piece of property—something that has to be put up with and accepted by faith.

As to interest rate, Mr. Boissard cited the difficulty involved in maintaining 100% of capital plus even a small rate of annually compounded interest thereon.

He said frontier interest rates cannot be expected in a mature and population-wise stable country. For a participating company the choice of an interest assumption lower than 3% on the CSO table has the advantage of restoring an interest margin and making an ascending scale of dividends with duration

easier. For the non-par company the choice of a lower than 3% assumption will be easier when the large non-par companies take such action. In these days of record production delaying a decision on a change in rates is potentially much more serious than when production is at a low rate.

### Problem of Old 3½% Block

Mr. Boissard said his main concern will be with National Guardian's old 3½% business written prior to July 2, 1941. On that date it changed to 3% American Experience basis. Mr. Boissard said he made an estimate of what

would happen to the 3½% business. The estimate was carried through 1947 and showed that at the end of 1947, 84.9% of the business would be in force. The 3½% reserves would be 122.1% of what they were when the change was made. At the end of 1945 the actual insurance in force was 98.6% but the reserves were 102.6% of the estimate. This indicates a slightly higher than expected termination rate for low cash value policies and a lower than expected rate for high cash value policies.

It was found in 1941 that a 1% change in the rate of interest earned

(CONTINUED ON PAGE 38)



DEWEY A. SHEIDLER is the leading producer in paid business for the month of August.

## The MAN of the MONTH

This is my twentieth year with the Ohio State Life. During this time I have had happiness and an abundant life.

Serving one vicinity for 20 years, has enabled me to establish an ever expanding circle of friendships. The business comes easier year by year. The Company has various plans and through their training program these plans are easily explained. This has enabled me to give service and enlightenment which the prospect desires, whether it be life insurance for grown ups or youngsters, or Health, Accident or Hospitalization.

Whatever success I may have attained is due in a large measure to the fine service and cooperation received from Company executives, Home Office employees, General Agent and the Secretaries.

Those who wish to serve through life insurance have only to visit families who possess matured endowments or widows who have received checks, to see the satisfaction and security which only this great business provides. You will then understand why I am in this business for life.

*Dewey A. Sheidler*

CLARIS ADAMS  
President



FRANK L. BARNES  
Vice President  
Director of Agencies

THE OHIO STATE LIFE

*Insurance Company*



COLUMBUS, OHIO

# Legislative Flavor to Legal Section

## Federal Trade Commission Issue Is Analyzed by Dave E. Satterfield

The variety of views that have been advanced as to what, if anything, should be done in the way of state legislation to head off or make less potentially menacing operation of the federal trade commission in the field of insurance were sketched by Dave E. Satterfield in addressing the luncheon meeting of the American Life Convention Legal Section at Chicago Monday.



Dave E. Satterfield

Mr. Satterfield is manager of Life Insurance Assn. of America and is a member of the all-industry committee. The FTC all-industry subcommittee has filed with the full committee an agreed pattern bill at the state level, he remarked.

The subcommittee believes that state laws must be strengthened if insurance is to be in a position to demonstrate that the states are adequately covering the field, and in this connection, unfair trade practices, recognized as such and already dealt with by the FTC, must be considered in the drafting of an effective bill.

On the other hand, the committee realized that no statute can specify every act, method or practice within the field occupied by the FTC act since the limits of that field are fixed by the commission's own concept of what is unfair and deceptive. The committee is convinced that the pattern bill, if enacted, would oust the FTC except for its inquisitorial powers.

### Names Eight Bad Things

Eight unfair and deceptive trade practices were included in the bill and the future designation and definition of other offenses was to be left to each legislature.

Procedural provisions of the bill were designed to follow the procedural provisions of the FTC act. The committee feels that the content of the bill together with the declaration of legislative intent and policy is ample to convince Congress that the states have provided a basis for adequate and effective regulation of unfair and deceptive trade practices.

There were few, if any, advocates of a parallel federal trade commission act in each state.

Others were convinced that no state legislation was needed and that the solution was to get an amendment to the FTC act removing its applicability to insurance to the extent that it is regulated by the states.

Some felt that insurance should not seek to differentiate itself from any other business and that no effort should be made by state legislation to exempt it from supervision of the FTC.

### Fear Effect on Rating Bills

Another view was that it was unwise now to urge any legislation on the subject because this might endanger passage of the rating bills. Others believe that even if rating legislation were enacted in all states, there would still remain the necessity for legislation on unfair and deceptive trade practices. This view was expressed largely in answer to those who advocated delay and to those who conceived that rating legislation was so important as to justify no action on the FTC, Robinson-Patman and Clayton acts.

There were a good many who felt

that it would be a mistake to ignore the breadth of the invitation expressed in public law 15 and if legislation were enacted on the rating subject only, the business would lose face with Congress. A large majority of Congress desire that the control and regulation of insurance shall remain in the states and full legislation at the state level on all four of the anti-trust acts is necessary if the business truly desires exclusive control by the states.

Mr. Satterfield said the question of what to do about group A. & H. insurance rates is still undecided largely because no decision has been reached either by the industry or the commissioners as to what should be done with A. & H. insurance generally. This is a very controversial question but a decision must be made soon. The subject will appear on the agenda at the meeting of the all-industry committee at New York commencing Oct. 23.

## Calls for Realistic Court Attitude Toward Suicide

Courts should take a more realistic attitude toward suicide cases to relieve



P. M. Henry

life insurance companies from the often impossible task of offering the burden of proof, Phineas M. Henry, vice-president and general counsel Equitable of Iowa, declared in a paper before the Legal Section of American Life Convention.

Generally speaking in life cases, the company defending a claim under a life insurance policy must not only establish suicide by a preponderance of evidence, but must also negate every other possible hypothesis of death.

On the other hand, the speaker said that under accident policies and the double indemnity provisions in life policies, after some confusion in the early authorities, it is now held by the great weight of authority that the burden is on the plaintiff to prove death by accidental means and the company under a mere denial can offer proof of suicide without assuming the burden of proof.

### Directed Verdict

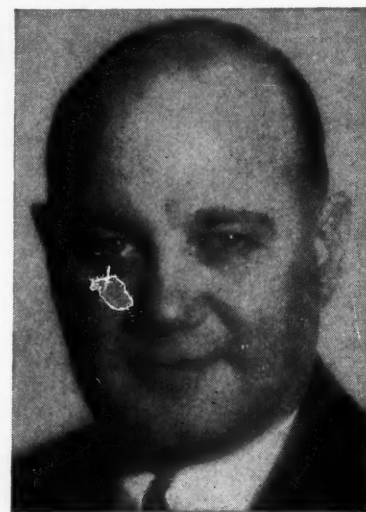
The paper discussed the right of a company to a directed verdict even in the absence of proof of motive. Mr. Henry contended that even when there was evidence pointing to suicide there was no reason for the court, in his instructions to the jury, to make any reference at all to the presumption against suicide.

There are approximately 22,000 suicides every year in the U. S., Mr. Henry declared. Many more suicides are not so reported, he said. During the last depression the increase was very marked. At all ages, suicides accounted for 4 1/2% of all the deaths in 1930 and between the ages of 30 and 39 more than 6% of all deaths were suicides. One company reported that the total suicide claims paid on all policies in 1921 amounted to 1.9% of all claims, but in 1931 they amounted to 4.4%, and the amount paid out in suicide claims

### TIDE TURNS

## Life Insurance Litigation Is Decreasing: Kastner

The reduction in litigation engaged in by life companies was strikingly illustrated by Ralph H. Kastner, associate general counsel of American Life Convention, in addressing the Legal Sec-



RALPH H. KASTNER

tion Tuesday morning. Mr. Kastner reviewed in detail the highlights of life insurance legislation and court decisions during 1946.

In the Legal Bulletin of A.L.C. 388 cases were digested during the year, as compared to 1,087 such cases only 10 years ago. The number has steadily dwindled each year until it has reached a low record. "This is certainly persuasive evidence," he said, "that insurance litigation has declined, in spite of all the premium tax and other litigation arising from the S.E.U.A. decision."

Thirty-four cases were digested which involved total and permanent disability, 18 of the decisions being favorable to the insurer, from which he deduced that "the companies now have a better than 50% chance of winning a favorable decision . . . considerably better than 10 years ago when the rate was 45% out of a total of 235 cases."

### Premium Tax Litigation

Cases involving double indemnity numbered 21, and judgments favorable to insurer were obtained in 11, or 52%, compared with 46% of a total of 60 cases 10 years ago.

He discussed particularly the important cases of Prudential vs. Benjamin and Robertson vs. California.

As to the current situation with respect to premium tax litigation, he pointed out that all pending cases challenging the validity of the state premium tax law on the ground of interference with the commerce clause ap-

(CONTINUED ON PAGE 36)

by another company rose from \$390,000 in 1929 to \$740,000 in 1931 and the number of claims increased from 40 to 70. Another company reported that \$202,000 was paid for suicide claims in 1926 and \$1,247,000 in 1931. It was roughly estimated that the American life insurance companies paid \$75 million in suicide claims in 1932.

## Skutt Chairman, B. M. Anderson Named Secretary

### Cox Keeps Vein Light Between Serious Speeches

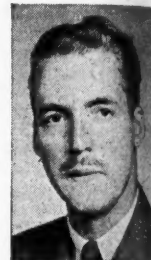
#### LEGAL SECTION OFFICERS

Chairman V. J. Skutt, vice-president and attorney United Benefit Life. Secretary B. M. Anderson, counsel Connecticut General Life.

Emphasis at the record sized two day annual meeting of the Legal Section of

A.L.C. was overwhelmingly legislative with all but one of the speeches dealing with concerns of the pregnant legislative year ahead with each one of the 300 legal officers present poised on the edge of his chair to catch clues to what V. J. Skutt, the new chairman, described in his inaugural remarks as "the attempt to find safe passage through the current maze of insurance legislative proposals."

Another outstanding characteristic of the section session was its informality,



V. J. Skutt



B. M. ANDERSON

following the pattern set by the genial Berkeley Cox, chairman, who interlarded the job of presiding with jovial personal remarks, innuendoes and asides to members on the floor.

Yet the talks were fraught with the seriousness and importance of the legal and legislative role of the industry at the present time. Each of the papers represented a staggering amount of preparation and a resolution was passed unanimously at the close of the session to thank those who lent their knowledge and time to the endeavor.

To Mr. Skutt, who is vice-president and attorney of United Benefit Life and has been secretary of the Legal Sec-

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## Life Insurance Has Full Stake in State Regulation

Life insurance people are more than interested spectators in the efforts being made to strengthen state legislation of insurance, because it is unlikely that federal regulation of any branch of the business would supersede that of the states without its being extended to all branches, Berkeley Cox, associate counsel of Aetna Life and chairman of the Legal Section of the A.L.C.

Berkeley Cox

declared in opening that section. Touching on the national political outlook, Mr. Cox said that the battle to prevent too great concentration of power in the federal government is far from won, but the signs that it can be won are becoming more evident.

As a consolation to those who believe that too much concentration of power in the hands of labor organizations endangers the national safety, the speaker pointed to the period in history when the nation was threatened by too much concentration of power in private business, which resulted in anti-trust laws. He envisioned similar legislation governing labor activities.

He remarked that current efforts to provide for the expansion of social security to include protection against illness and accidents are being made in the face of the fact that various types of private coverage provide the protection needed by the great majority of the public, and that the cost of such

## Between Sessions at Chicago Gathering



OUTSIDE THE MEETING HALL DURING A. L. C. RALLY:

J. D. Wooldge, assistant treasurer State Farm Life; F. S. Vanderbrouk, executive vice-president Monarch Life; Otto Haakenstad, president Western States Life, Fargo; C. W. Young, president Monarch Life, and J. Howard Oden, vice-president North American Reassurance.

private protection on a group basis is probably less than the cost of similar government insurance. This is particularly true when it is taken into consideration that private carriers pay taxes and that government insurance might result in further demands on the general taxpayer, in addition to the payroll taxes which would, in effect, be premium payments. He said that if the people of America can be acquainted in

time with all the facts, he has little doubt that their decision will be in favor of private rather than government insurance.

Charles J. Timber, Wisconsin deputy commissioner, is an ardent follower of the football fortunes of the University of Wisconsin and the Green Bay Packers and added a gridiron flavor to the industrial luncheon with his detail descriptions of the strengths and weaknesses of the two teams.

## A. & H. Problems Are Equally Those of Life Companies

State and federal action on compulsory health insurance should be a matter of concern to life companies, even those not engaged in A.&H. business and should be opposed vigorously, R. J. Wetterlund, vice-president and general counsel of Washington National, said in an address at the Legal Section Monday.



R. J. Wetterlund

Mr. Wetterlund remarked that accident and sickness and life insurance are all personal coverages and those lines are definitely tied together. Problems of the A.&H. industry are equally those of the life business.

He noted that compulsory plans already are affecting life insurance in "an insidious and slowly creeping way." He declared that companies should aggressively and positively assert that they do not favor compulsion at either federal or state level in personal insurance and that the question of how much insurance a person shall carry and with what company should be left for each individual to decide of his own free will.

### Asks All-Industry Resistance

He said the industry should "fight fire with fire" and it should be accomplished by the whole of the industry. Companies should band together through a central source and use the radio, press and other means with great vigor to

(CONTINUED ON PAGE 37)

We meet today's problems with the confidence born from the steady growth gained during forty-one years of faithful service to our policyholders and the genuine interest in and cooperation with our field force.\*

## CENTRAL LIFE Insurance Company OF ILLINOIS

Alfred MacArthur, President  
211 W. Wacker Drive Chicago 6, Illinois

\*General Agency contracts in a few desirable territories are now available.



A house built on sand is soon swept away. One built on rock survives the worst storms the elements can contrive.

The objective of California Western's training program is to build career underwriters whose success continues to flourish — whether the business barometer is up or down.

By emphasizing and re-emphasizing the changeless fundamentals of life insurance selling, our nationally-recognized "You, Inc." training plan (based upon T. W. I.\* principles of instruction) lays a sound foundation for that kind of success.

\*(Training Within Industry)



## EXPOSES MISCONCEPTIONS

# D. B. Woodward Refutes Theory of "Oversaving"

The theory that the rising volume of funds flowing into life insurance companies and other savings institutions represents harmful oversavings, and this contributes to economic instability, was labeled a misconception by Donald B. Woodward, second vice-president of Mutual Life, in his address at the A. L. C. meeting.

"This view arises from some interpretation, correct or incorrect, of the Keynesian hypothesis, extended, interpreted and often distorted by disciples in this country and elsewhere," he declared.

Using a series of charts to dispel the "misconception," Mr. Woodward declared that the view takes as evidence the simple fact that accumulated funds entrusted to these institutions have been rising.

"The fact is," Mr. Woodward declared, "that the figures have been wholly misunderstood. They do not indicate any increase whatsoever in the rate of saving of the American people. They do not do so because no increase has occurred."

"Of course, the dollar total of saving has risen as the population and income of the country have grown."

### Proportion Hasn't Changed

"But the proportion of income saved by the American people has not changed over decades—except during the war when the shortage of goods compelled much involuntary saving. And already, though goods are still short, the rate of saving is rapidly declining from the extraordinary war levels, and there is reason to believe that it shortly will return at least to the level which prevailed for decades."

The correct explanation of the rise in the volume of savings in the life insurance companies and savings institutions Mr. Woodward explained, is that the form of saving has been changing over the decades. When the great majority of the population was rural, income was in the form of produce, instead of in money, and this was used directly and any surplus was used in barter to acquire other things needed.

"The urbanization of society and the monetization of its income and savings," he concluded, "are the inevitable result of technological development and the division of labor, which in turn have given us the highest standard of living the world has ever known—and will, I am confident, give us a much higher one in the future. High production per worker is the magic which separates us from the lower standards of living which have prevailed in past times."

### Guiding the Savings

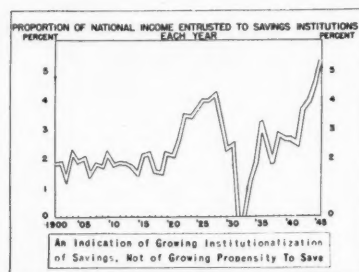
From the standpoint of the savings institutions, the great problem is "a bigger job in the performance of their beneficent function of mobilizing savings and guiding those savings to their most useful destinations."

"It means that as the economy calls for new forms of investments and perhaps in new economic and even geographical areas, the institutions will have to find ways to respond. I do not see an impossibility in this requirement, for these institutions have changed and adjusted in the past as they have marched with the progress of the economy. I see no reason why they cannot overcome the almost inevitable attachment to the status quo, and successfully and beneficently march with the progress of the economy in the future. It may not—in fact, it certainly will not—be easy, but it will not be dull or uneventful."

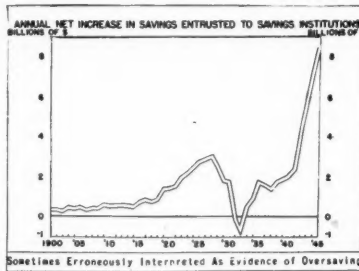
The size of the life insurance investment job in the future, he concluded, will depend upon the amount of life insurance in force, and the number of dollars of assets per \$1,000 of insurance in force.

Mr. Woodward submitted the following

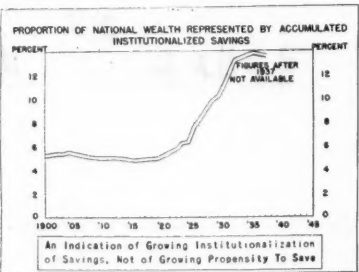
ing chart of net increase in savings entrusted to savings institutions.



In view of this gradual change in form of savings and the institutionalization of those savings, one would expect to find that a gradually rising proportion of national income is entrusted to the life insurance companies and savings institutions.\* And this is what the figures show, as in the following chart:



Likewise, one would expect to find the accumulated savings in life insurance companies and savings institutions constituting a rising ratio to national wealth. And this, too, is what the figures disclose.



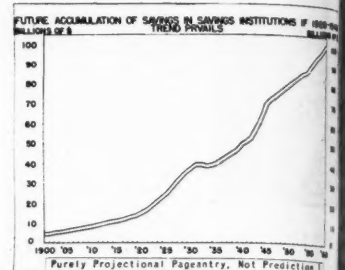
These charts, he emphasized, constitute no evidence whatever that the rate of savings has increased, or that there is any tendency toward oversaving. They simply and solely show that the form of savings has been changing and that a rising proportion of saving has been institutionalized.

"There is not now, there never has been, and I see not the slightest shred of evidence to believe that there ever will be too much saving," he declared. "The critics—the mature economy theorists, the gloomy stagnationists—not only have a mistaken view of what has been happening in the savings institutions, but they as well almost incredibly underestimate the need of the country and the world for savings."

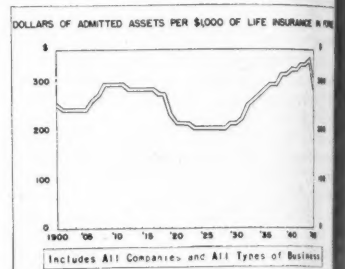
### Encouraging and Desirable

The following chart shows what will happen to the assets of the insurance companies and savings institutions during coming years if prewar—not war—trends continue. It illustrates something of the scope of the job ahead. This does not constitute any more evidence of oversaving than those which have preceded it.

What it shows is that if past trends continue, the growth of institutionalized savings will continue, and even in a few years will mount to much larger totals. Economically this would be encouraging and desirable, for this society can only attain the much higher standard of living which it can certainly reach only by continued saving, and the investment of that saving to produce more capital equipment, which in turn is the absolute prerequisite for higher production per worker.



The size of the life insurance investment job in the future will depend upon the amount of life insurance in force and the number of dollars of assets per \$1,000 of in force. This latter ratio has fluctuated over a range in this century of \$200 to \$330, as the following charts show.



"The ratio has for quite understandable reasons, tended to decline when in force is growing most rapidly, and to mount when in force has risen more slowly. It is now declining, and probably will decline for some years ahead. But I should expect total assets to rise as in force creases more rapidly than the ratio falls. "If by 1960 the insurance coverage per family is the same as in 1945, and if the in force-assets ratio is about the same as in 1945, assets will be about \$8 billion higher than in 1945. If 1928-45 trends prevail as to coverage per family assets by 1960 will be some \$15 to \$20 billion more than that."

## Speak Up on Fiscal Issues: Harwood

Aubrey Harwood, vice-president and counsel of Pacific Mutual Life, in addressing the meeting of the American Life Convention, called on life insurance executives to speak their minds about the fiscal policy of the government and to arouse policyholders to the unsound features of that policy. Without a sound fiscal policy, he declared, there cannot be a sound dollar and the value of life insurance policies cannot be maintained unless the value of the dollar is reasonably secure.

He contended it is a mistake to allow politicians and government officials to be the only ones to influence proper thinking in order to gain votes. There is no reason why the life company president should not discuss the fundamentals of sound, national fiscal policy with his own policyholders. This could be done in messages accompanying premium notices or in radio broadcasts.

The industry must take an active interest and play an active part as far as it can with respect to everything that relates to fiscal policy just as the industry has been doing as to the Treasury's attitude on interest rates.

# Nelson New Financial Section Head

## Problems, Progress with Four Projects Reviewed

Four experts told the Financial Section of the American Life Convention how life insurance is going ahead with residential building, faced with an acute demand on the one hand and intense labor, material, government restriction and cost problems on the other.

The panel of four, introduced by Paul E. Fisher, chairman of the Financial Section and treasurer of Indianapolis Life, reviewed the housing activities open to life companies, told of several projects either completed or in the final plans stage, and discussed particularly the financing and economic aspects of large-scale construction. All four urged life insurance activity in the field, both as an area for investment and because of the present tremendous social need.

Speakers were Dr. Charles F. Lewis, director of the Buhl Foundation of Pittsburgh; O. J. Lacy, president of California-Western States Life; Van Ness Bates, manager of the bureau of housing of John Hancock Mutual Life, and Robert H. Reid, managing director of London Life, who is also president of Housing Enterprises of Canada, Ltd.

Mr. Lacy and Mr. Bates described two contrasting types of residential building

being sponsored by life companies, one of houses built for immediate sale and the other, the development of large-scale projects for rental. The examples given were the Lakewood Housing Project in the suburban area of Long Beach, Cal., to be sponsored by Mr. Lacy's company, and Hancock Village, a rental project near Boston, to be developed by John Hancock.

The origin of Chatham Village, pioneer among American large-scale rental communities, was described by Dr. Lewis, who said the purposes of this development by the Buhl Foundation in 1931 were the same as now motivate life companies, first the need for investing capital funds for safety and assured yield, and second the need to overcome the inadequacy of much present-day housing. The Foundation regards Chatham Village strictly as a sound investment, and has received the same yield that could have been obtained from high-grade securities.

Mr. Reid, in describing the 3,400-unit program planned this year jointly by almost all the life companies in Canada, told of the formation of a holding company representing the companies, and of its progress to date in actual home construction. The 3,400 units will comprise 33 individual projects ranging in size from 50 to nearly 400 units each, all to be administered as rental projects.

Discussing the wisdom of undertaking housing projects at this time, Mr. Lewis pointed out that when vacancies are

(CONTINUED ON PAGE 33)

### ACTIVE IN MANY FIELDS

## Paul E. Fisher Outlines Financial Section Activities

Life insurance must have a positive, constructive investment program because



Paul E. Fisher

lower interest rates will continue as will criticism by labor, politicians and do gooders, Paul E. Fisher, chairman of the Financial Section of the A.L.C. and treasurer of Indianapolis Life, said in opening the proceedings of his section.

The present economic situation is resulting in social and economic ferment, industrial frustration and general exasperation, Mr. Fisher said.

Although the section has held no annual meetings since 1943, it has been active in many ways, he said. Most important was participation in the work of the joint investment research committee of the A.L.C. and L.I.A. of which John S. Sinclair, executive vice-president New York Life, is chairman.

This committee, in collaboration with the Reserve City Bankers Association and Savings Banks Association have authorized the National Bureau of Eco-

(CONTINUED ON PAGE 33)

## Housing Projects Occupy Investment Officers

### Great New Avenue of Investment and Public Service Opening

#### NEW OFFICERS ELECTED

Chairman—Norman H. Nelson, vice-president Minnesota Mutual.  
Vice-chairman—David W. Gordon, financial vice-president Monarch Life.  
Secretary—Joseph M. Bryan, vice-president Jefferson Standard.

The annual Financial Section meeting of the American Life Convention sessions opened Monday morning and then continued for a day and a half. Paul E. Fisher, treasurer of Indianapolis Life, the section chairman, presided and introduced Dr. Charles F. Lewis, director of the Buhl Foundation of Pittsburgh, who discussed the Chatham Village housing project of that city.

There was an overflow attendance for this session, as the investment officials of companies and general officers as well are keenly interested in the subject of housing and are watching closely developments in that field.

The investment men see a great in-

(CONTINUED ON PAGE 32)

"IN THE INTEREST OF THE LIFE INSURANCE BUSINESS

# THE AMERICAN LIFE CONVENTION

CONTINUES TO SERVE" . . .

All life insurance companies should be greatly indebted to the AMERICAN LIFE CONVENTION for the important role it has played and is continuing to play in advancing the aims, ideals and accomplishments of the great institution of Life Insurance.

Because of this valuable contribution to Life Insurance, the prestige of the profession has been raised and the job of all life companies and agents has been made easier.

The Southland Life is proud to be a member of THE AMERICAN LIFE CONVENTION, and has always tried to live up to its high standards. We congratulate the AMERICAN LIFE CONVENTION and its member companies for a job well done.

*Southland Life*

INSURANCE COMPANY

W. C. McCord, President

Home Office: Dallas

The ALC  
has been —  
will be —  
a source of  
inspiration  
to every devotee  
of insurance in  
the nation.  
We take  
great pride  
out in the West,  
where ALC is  
known the best,  
that it's a  
West's creation.

**National Life**  
Insurance Company  
Madison 1, Wisconsin

## Fulton Relates How Questioning Accepted Theories Pays Dividends

The things that everybody knows about life insurance selling are the very things that James A. Fulton, president of Home Life, questioned again and again in his address before the Agency Section of the American Life Convention.

Out of his 30 years experience, he cited numerous examples of the type of dogmatic thinking he had in mind, and the results of questioning such dogma. One of his earliest assignments was development of rural territory. He was told that everybody knows the only way to develop rural territory is with part time agents. Mr. Fulton did as he was told, but was dissatisfied with the results. He began to question the value of the part time agency plan, and secured the somewhat reluctant consent of his superiors to put a full time agency plant in the territory.

Of his subsequent experience, Mr. Fulton said: "My objective was to put one man in each county and give him exclusive territory. Along with the territory he got a quota of business based on population. He kept exclusive territory as long as he met his quota. It did not come easily, but it came. Shortly the representatives of that company began to take their place as substantial respected citizens of the communities in which they lived. They represented a source of business in substantial volume month in and month out and year in and year out.

### Recruiting Minimized

"The recruiting problem was substantially minimized. We began to promote men out of that territory as we entered new territory. It was not difficult to fill the place of a man who had made a good living, been a substantial and successful member of the community and been promoted to a more important post. We no longer had to beg people to go in the life insurance business."

As a more modern example, he discussed the experience of Home Life with salaries for agents. In this connection, he said: "I remember in my early days as an agency man, I became rather desperate to get a good man at one particular point. The man I wanted insisted on a guaranteed income. He did not want to borrow money and he did not care about being an independent contractor. I put him on a salary. My move was viewed with grave apprehension by my associates. They pointed out to me that 'everybody knows' you have to pay life insurance agents on a commission basis and if you attempt to pay them by salaries you are going to

lose your shirt. It happened that particular experiment worked out fairly well but not well enough to dispel the well settled dogma in my own mind.

"We have been paying men salaries for some eight or nine years now. At first they were temporary salaries which worked into a commission basis. For the past two years we have been employing practically all our new men on a permanent salary basis. So far this year, pretty close to half our total business comes from men working on permanent salaries. A substantial number of former commission men have changed to this basis. As of June 30, the average monthly salary being paid to these men was \$378. The lowest salary was \$150 and the highest \$1,200. The average production of this group for the first six months was \$171,000, or \$28,500 per month. Our plan has an incentive basis in it that does bring adjustment of salary consistent with results. The adjustments are made gradually, however, and the income is fairly well stabilized. The group of men we are employing do not want to be independent contractors. They do not want to be their own bosses particularly. They want the same thing that other Americans want in any normal employment. They want a guaranteed salary to pay the butcher and the grocer and the rent. There undoubtedly is a type of person who wants to be an independent contractor, who wants to be his own boss and is willing to take the chances and assume the burdens that that entails. Our experience would indicate that contrary to general theory, they represent the minority."

Despite what he had previously said, Mr. Fulton warned about experiments. A program of experimentation must be a relatively long time program, he warned. A company cannot try it and then start off on another tack. It must be an integrated program.

"We quickly found that the plans which the agency department started very shortly involved every other department of the company. There must be a constant and watchful measuring of results. We assigned an officer in our company who had the kind of mind which enabled him to constantly weigh and evaluate results to work almost exclusively on the various phases of this program. He is constantly bringing to the attention of our agency vice-president facts and trends which no busy agency executive could possibly have time to spot. No small or middle sized company like our own can afford much more than one major experiment at a time."

## Stevenson Urges More Definite Agency Objectives

The chief agency executive told must believe in 'definiteness in agency building to the extent that he insists on the company objectives being reduced to writing and compensated geared to the attainment of the objectives, E. B. Stevenson, executive vice-president of National Life & Accident, declared in his talk before the Agency Section of the American Life Convention.



E. B. Stevenson

There is a new mode of agency selection and too many top men who know the very last detail about their company's standards in the selection of investments couldn't begin to outline its standards for the selection of the human assets of the company's agency force, he said. The new mode in agency management must extend to the very top of the company because it must include a program of favorable agency or human relations which, in every case, must come from above.

Citing the progress achieved in the matter of scientific selection of agents, Mr. Stevenson declared that equal care must be taken in the selection of managers and assistant managers. The success of a plan which brings into the business the higher type of man to be trained by supervisors, places upon management a greater responsibility to improve the calibre of the trainers, he declared.

The new mode spotlights the chief agency executive as a vitally important individual. Top agency management must guard against the pitfalls of being so busy doing things that there is no time for study, thinking and planning. The agency heads must know and believe in the new principles of selecting, training and supervising agency assistant managers and managers, he asserted.

The speaker termed looking backward to normalcy and longing for the "good old days" retrogression. He predicted that "we will not return to something that was, but will achieve a new normal, stay on that level for a while and then move on to another, for such is progress."

C. M. Cartwright, editor of The NATIONAL UNDERWRITER, declared he has become an historical curiosity. Last month he assisted in reporting the 50th annual convention of the National Association of Insurance Agents at Denver. He sat with the original 20 agents in the Great Northern Hotel, Chicago, in 1896, when the association was organized. He is the only surviving newspaperman who attended the 1896 conference and George D. Markham of St. Louis is the only surviving agent.

This week Mr. Cartwright is reporting the annual meeting of the American Life Convention at Chicago. In December, 1901, Mr. Cartwright reported the A.L.C. organization meeting at the same Great Northern Hotel. He is the only surviving newspaperman of that group the others being C. I. Hitchcock, Charles Dobbs and T. R. Weddell.

Isaac Miller Hamilton, chairman of Federal Life, is the only surviving company official from that 1901 gathering. It is the custom for him to make the motion to adjourn at the final A.L.C. session.

E. B. Raub, president and general counsel of Indianapolis Life, and A. Le Roy Porttues, vice-president, were hosts Monday night at a cocktail party for members of the Life Officers Investment Seminar.

## On the Bench at Edgewater Beach



BEFORE THE CAMERA AT A. L. C. CONVENTION: R. E. Sweeney, president of State Life; John M. Powell, president of Loyal Protective; Leslie J. Cooper, associate actuary Pacific Mutual Life, and C. C. Fraizer, Omaha, general counsel H. & A. Underwriters Conference.

## Industrial Section Headed By Boyd and Evans

Chairman—Morton Boyd, president Commonwealth Life.  
Secretary—Richard B. Evans, president Colonial Life.

An unexpected attendance of close to 100 jammed the small room in which the round table of the A.L.C. Industrial Section was held at which numerous questions pertinent to the business were chewed over in informal style. All of these questions had been submitted by section members in response to a questionnaire which had been circulated prior to the meeting by Morton Boyd, secretary.

The only formal speech was by James F. Finlay, general counsel Interstate L. & A., who gave his views on government, old age unemployment and miscellaneous assistance provisions.

Mr. Finlay said that the original Social Security Act called for  $\frac{1}{2}$  of 1% increase every three years until the tax reached 3% in 1949. However, the tax is still frozen at 1%. He termed it sensible to keep it frozen there until the government actually needs more money to pay its promises under this portion of the act, because there is no sense in building up a large reserve, beyond expected needs, when there is the right to tax. Building up a large surplus provides pressure for additional benefits as it did under the Railroad Retirement Act.

The speaker said he was opposed to extension of the act to agricultural workers, but thought that it might well be extended to domestic employees if the cost of collecting it is not too prohibitive. He said that people living on

farms are already more secure than the government will ever make city workers. In boom or depression, farmers usually make a living, he declared.

Mr. Finlay was opposed to extending state unemployment acts until there has been a real test of the laws through a depression.

There is no reason why agents wholly on a commission should come under the unemployment side of the Social Security Act, Mr. Finlay said, because they are never unemployed if they want to



Richard B. Evans Morton Boyd

work. He pointed out that it is more difficult to collect a debit in good times than in bad, and that the number of agents increased during the depression.

Morton Boyd, president Commonwealth Life, who has been secretary, became chairman and Richard B. Evans secretary when the section unanimously approved the report of the nominating committee which consisted of F. M. Nettleship, Equitable of D. C.; B. L.

De Witt, Peninsular Life, and Felix Rothschild, Sun Life of Baltimore.

This meeting recommended to the executive committee of the A.L.C. that the name of the section hereafter be "Combination Company Section."

## Value of Medical Research Fund Is Explained

The gravity of the diseases of middle and old age, including cancer and particularly the so-called degenerative conditions affecting the heart, arteries and kidneys was stressed before the A.L.C. meeting by Dr. Eugene M. Landis, professor of physiology of the Harvard medical school.

Describing the Life Insurance Medical Research Fund, which was established late in 1945 and so far has disbursed approximately \$735,000, Dr. Landis described how the progress in child health and in the chemo-therapy of infections has raised the diseases of the heart, arteries and kidneys to first place in mortality tables. He said that in an aging population, a continued increase in these can be expected unless specific preventions and cures are found.

### Embryonic Discoveries

Reviewing some of the great medical advances during the past 30 years, Dr. Landis said that "embryonic" discoveries, still growing and maturing in the laboratory, are now in a theoretical stage resembling that of the search for insulin about 1910, or of the study of pernicious anemia about 1920, or of chemotherapy in 1930. Their ultimate importance, he declared, can be surmised only vaguely now but these studies form the pool of fundamental

knowledge from which similar advances will be made from 1950 to 1970.

"Research is time-consuming, increasingly intricate and expensive," Dr. Landis said. "While the trained and competent investigator can be sure that his efforts will add to existing knowledge, he can never be sure, until the work is complete, whether his efforts will or will not be the final solution that is needed. A long, hidden period of research precedes every discovery capable of public appreciation."

"Since its beginning in late 1945, the Life Insurance Medical Research Fund has provided in one and one-quarter years a total of approximately \$735,000. In that same period your board of directors and advisory council received from responsible and experienced investigators requests for financial support of research totaling for all fields almost six times that sum, or \$3,862,000. Forty-nine young men applied for fellowships of which 20 were granted."

"Right now," Dr. Landis said, "training of young investigators is one of the pressing problems facing all science. The interruption during war-time of all graduate training, particularly in research, has left a dearth of trained, inquiring and investigative minds—a gap that will require years to close. We have, in effect, been forced to throw away five years' supply of that youthful intellectual activity and originality which is one of our chief natural resources."

"In my opinion, the most forward innovation of the whole program has been the establishment of a modest number of student research fellowships. Young students can now be encouraged by a modest stipend to interpolate a year of research and special study between their second and third, or third and fourth years in medical school, under that teacher who has stimulated their interest."

## NEW PLANS FOR MORE SALES

READY MONEY PLAN  
(Combination Life and Accident)

DIME-A-DAY PLAN

CREDITORS GROUP LIFE

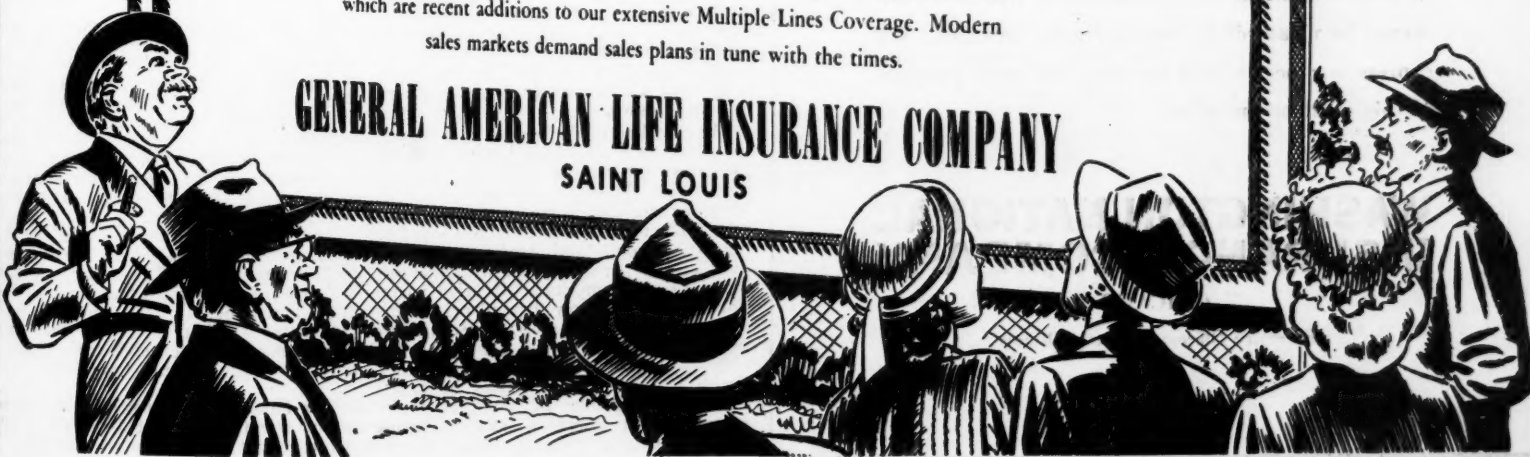
NEW PENSION TRUST PROGRAM

GROUP DIAGNOSTIC

GROUP HOSPITALIZATION  
(25 lives or more)

Our field associates are already profiting from the sales plans above... all of which are recent additions to our extensive Multiple Lines Coverage. Modern sales markets demand sales plans in tune with the times.

GENERAL AMERICAN LIFE INSURANCE COMPANY  
SAINT LOUIS



The company of  successful field men

## A Definite Goal AND A Smooth Track

**THE GOAL...** "Pacific Mutual... a company in which every Agent and every General Agent is an improving individual; selling Life and Disability Insurance purposefully, to fit the needs of his clients; making an adequate living, and representing his business with dignity; a credit to himself, his agency, his company and the institution of Life Insurance."\*

**THE TRACK...** A complete training program, developing each successive step in an organized merchandising process.

A complete range of personal coverage to sell.  
A complete basic protection package—the "New and Unusual Savings Plan."

\*From the Statement of Objectives, co-operative inspiration of Pacific Mutual field and home office.

### PACIFIC MUTUAL LIFE INSURANCE COMPANY

HOME OFFICE: LOS ANGELES, CALIFORNIA

LIFE • ACCIDENT & HEALTH • ANNUITIES • GROUP  
"NEW AND UNUSUAL SAVINGS PLAN"



## Greetings to the A.L.C.

As the American Life Convention enters upon its forty-second year of useful service to the business of life insurance, the Washington National as a member company extends greetings and congratulations. Over the years the ALC has demonstrated its worth, and its contribution to the institution of life insurance cannot be measured by any ordinary yardstick. We express our best wishes for the continued progress of this great organization.

### WASHINGTON NATIONAL INSURANCE COMPANY

CHICAGO

Executive Offices: Evanston, Illinois

## Common Stock Suitable for Limited Investment

While he did not advocate that life insurance companies place more than a limited portion of total assets in common stock, B. Hollon Smith, assistant treasurer of Bankers National, advocated that the common stocks at least be considered by companies desperate for investment outlets in his address before the Financial Section of the American Life Convention.

He pointed out that during the past 15 years, private long term debt has decreased approximately 20% while the assets of the life companies have doubled. The larger companies, he said, have already turned to housing construction as a substitute investment medium, but housing may not be practical for many companies, particularly the smaller ones.

Mr. Smith said the three main obstacles to consideration of common stocks as investments are the preconceived beliefs that: (1) bonds and mortgages are inherently the only safe purchases; (2) no suitable buy and sell formula can be devised to eliminate the human or speculative element in the management of the common stock portfolio; (3) there is no solution to the problem of year-end evaluation.

Concerning the relative safety of bonds and mortgages as compared to common stock, Mr. Smith said that the mere existence of a prior claim on assets is no guarantee that the principal value will be recovered. He said that according to the National Bureau of Economic Research, out of 3,000 bond issues floated between 1900 and 1939, having a par amount of \$5 million or more, 19.59% were in default of principal or interest and that five years before default, 5.54% of the bonds were rated AAA; 6.98%, AA; 14.24%, A, and 14.4%; Baa. The greatest volume of default occurred in 1933, but in this year the percentage was heavily weighted with rail bonds.

### Can't Have Blind Faith in Bonds

"So you see, we cannot afford to have blind faith in bonds," he said. "Many insurance companies have demonstrated equal confidence in real estate. We will pass over, sympathetically, any reference to the unfortunate experiences involved in real estate mortgages made during the early twenties, at the peak of the building boom."

Acknowledging that many common stocks have fallen by the wayside in the last 25 years with consequent losses to their owners, Mr. Smith said that on the other hand most strong companies in the more basic industries have survived the terrific inflation and deflation of the twenties and thirties. The same vigilance which would have protected a portfolio against fluctuations in bonds would also have eliminated the stocks of those companies which were becoming unsound investments, he said. It was his contention that, granting equal vigilance over common stocks as over bonds, and assuming reasonable prudence in timing the purchases, no investor holding common stocks for a long time should suffer any important principal losses.

The speaker said there is a tendency to allow painful memories of 1929-32 to distort the picture. Of course, common stocks fluctuate over a wide range, but they are not alone in price fluctuation. He presented a tabular record of industrial bond and stock fluctuation over a long period which, while revealing a greater amplitude of price variations in stocks, showed bond price variations of as much as 60% over a four-year period.

In conjunction with his address, Mr. Smith had prepared a series of charts showing the results of hypothetical investments in common stocks during several 10 year periods. The investments were made and the portfolios

maintained in accordance with a control plan which basically involved selling progressively as the market reached or surpassed an average of 150, or buying progressively as it receded from that average. Satisfactory yields and increments resulted in each case. He did not particularly advocate the plan outlined, but remarked, "The investment experts of life companies are capable of devising other more successful plans; and operating programs can be devised which will remove the element of luck from common stock investments."

The speaker had no ready and specific answer to the problem of periodic valuation, but indicated several lines of thought which might be given further study. He discussed business cycles at some length, illustrating by chart that over a period of years there is a long term upward swing in the rate of general business activity, and that the stock market, in a broad way, keeps pace with the trend of industrial production. He said that where securities have deteriorated to the point where no chance exists of their reviving in value, they should be written off. But where it is evident that prices are depressed simply because of the recurrence of a business cycle, then the latest lowest prices in the cycle should not be the basis for evaluating the securities. Valuation should be in conformity with average expectations in the cycle.

### Problem of Write-Down

Mr. Smith concluded it would be difficult to devise a formula which would entirely eliminate the necessity for the write-down in common stock valuations. He said that if it is necessary to indicate in the balance sheet periodically the value of securities held in the portfolio and if the securities have been purchased at a higher rate than currently prevailing, or at a price higher even than the five year average, then a write-down of portfolio values will be required. Mr. Smith said there is no way of getting around this unless the insurance commissioners are willing to agree that securities which represent perfectly sound companies are to be carried at their cost price so long as the companies remain sound. Such a method of valuing securities would be based upon acceptance of the theory that business cycles will recur and that stock prices should not be written up nor down with changes in business conditions, but should represent average conditions. In such an operation, it is assumed that companies would not purchase securities at the peak of business cycles.

### A.L.C.-L.I.A. Group Asks Attention Be Given to N.A.L.U. Memorial on NSLI

The joint A.L.C.-L.I.A. committee on NSLI at Chicago recommended that immediate attention be given to the recent N.A.L.U. resolution requesting that there be inserted in all application forms a question designed to establish that the veteran has been appraised of all his NSLI rights and benefits and that there be inserted in the agent's certificate a space for the agent to report that he has so advised the veteran.

The joint committee is headed by A. E. Patterson, Mutual Life. The reasons for the decline of NSLI in force to \$10 billion were enumerated and the most recent amendments were outlined, the committee voicing the belief that had the changes been enacted earlier much of the lapsation would have been forestalled.

The industry has thrown its weight in many effective ways behind the campaign to get the veterans to keep their NSLI or reinstate it.

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## Agency Operation Improvement a "Must," Boyd Says

**Lags Far Behind Other Activities—Best Offset to Low Interest Rate**

Agency operation offers relatively if not absolutely the greatest potential for improvement in life insurance administration as an offset to lower investment earning, Morton Boyd, president of Commonwealth Life, told the American Life Convention at its general session Friday. He said this improvement has become a matter of necessity rather than choice.

"My most startling discovery as a stranger recently entering the life insurance business," Mr. Boyd commented, "was the sharp contrast between the immaturity of the agency operation and the stability, standardization of procedure, and obvious maturity of other phases of company operation. The divergence of viewpoint as to agency policy and practice, the lack of general acceptance of many standards of procedure, and the persistence of trial and error methods of agency management all typify a degree of immaturity conspicuously and significantly absent in other phases of company operation."

"I find it difficult to believe that it is impossible in agency administration for progress to bring established order. Perhaps the explanation is in concentration on sales production rather than on business administration. At any rate, it seems obvious to me that such evidence of immaturity is suggestive of the need as well as the opportunity for improvement."

### Too Little Agency Research

Comparing the amount of money spent in primary research in sales and agency management with the much larger sums allocated to investment and medical research, and with the money spent in marketing research by other businesses, Mr. Boyd said there are many agency matters transcending in importance mere

departmental or individual company interest which should be acted upon on an industry-wide basis.

"As life insurance becomes a 'must' in the individual family budget, we have the institutional duty to provide the facilities of life insurance to the whole population upon terms and conditions considered reasonable by the public. Implicit in this idea are matters relating to broadening the base of underwriting acceptability, to adjusting the types of policies, the frequency of premium payments, and the size of policies to the convenience and preference of the public and also matters relating to the character and quality of the service rendered by the home office and field."

### More Emphasis on Service

"Recruiting and compensating an agency force primarily for its sales ability, and putting it to work in a market calling for superior service talents, confuses both our field forces and the public and compounds the problems of management and of public relations."

"There was never a more propitious moment in our history than the present to reexamine the jobs of our field representatives nor greater reason in the light of current conditions. For both economic and social reasons we have need to reappraise the qualifications required to produce for the companies economic agency administration and for the insuring public, and efficient agency service."

### Badge Is Distinctive

Of the various insurance organizations that hold conventions the American Life Convention has the most distinctive, practical and useful badge. It has a metal case about three-fourths inches wide and in it is a white card. The name of the person is written boldly and plainly, only the last name. If there are two or more of the same last name the initials are given.

### Four Publicity Men on Job

Two men from the Institute of Life Insurance were drafted to assist in publicity at the A.L.C. meeting with Publicity Director Ernest Sullivan, they being Chester C. Nash and Walter Schneider.

Robert Hutchings of the J. Walter Thompson Advertising Agency was on hand to take care of the daily papers.

## Trend to Sellers' Market Noted by Banker

The country is moving toward a sellers' market, Murray Shields, vice-president of the Bank of Manhattan Co., told the Financial Section of the A.L.C. Tuesday morning in a discussion of "Inflation, Interest Rates and Investment Policy."

He sees ahead a high degree of economic instability, with intensified competition and increased risk. Quality considerations and diversification of risks should be given increased weight in selection of securities for investment portfolios, Mr. Shields said.

### May Expect Greater Risk

"The risks of compromising with quality are likely to be much increased over what they were during the bull market in bonds," he said. "If the trend of interest rates is upward, we had better try to forget the notion—popular during the past few years—that 'maturity doesn't mean anything any more', and I suspect that investors will find it to their advantage in the long run to return to the practice of evenly stagger-

ing maturities and matching up their maturities with prospective needs for funds."

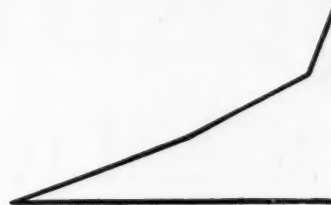
"We may well be moving into a period when those who seek increased income at the expense of quality and those who speculate in long maturities with short term money will find that their gain in current income is small as compared with losses in principal which may have to be absorbed later. The times call for caution."

### Reconversion a Problem

Mr. Shields pointed out the difficulties into which the reconversion effort has fallen. "Reconversion," he said, "has turned out to be a very difficult process, and there is a possibility that if it is delayed long enough, we shall find ourselves engulfed in a wild price inflation followed by the inevitable bust. . . . It seems incredible that this nation, with its brilliant record of productive accomplishment, should face the threat of industrial paralysis at a time when domestic and foreign needs for our goods are so urgent, but that we can have if labor organizations in many communities and industries simultaneously call out their members at the key points in our production, transportation and distribution systems."



## NOT A ROCKET LAUNCHER—



But a picture of our own insurance in force over 41 years of existence—which was punctuated this week by passing the mark of

**\$300,000,000 IN FORCE**

The first \$100 million was achieved in 22 years. The second \$100 million took over 16 years more. The third \$100 million was reached in less than 4 years!

Now we turn our eyes toward the fourth hundred million, believing that we have an agency force and management team capable of overtaking that goal in still shorter time.

**COMMONWEALTH**  
LIFE INSURANCE COMPANY  
LOUISVILLE • MORTON BOYD, President

## Snapped in the Edgewater Beach Lobby



IN THE EDGEWATER BEACH LOBBY DURING A. L. C. CONVENTION: R. E. Kiplinger, manager of agencies Guarantee Mutual Life; A. N. Guertin, A. L. C. actuary; Mrs. Charles R. Fischer and Commissioner Fischer of Iowa, and A. B. Olson, vice-president of Guarantee Mutual.

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H. C. E. JOHNSON, PRESIDENT

LIFE—HEALTH—ACCIDENT

### THINGS TO COME

## Economic Trends Augur Well for Insurance Sales

The war created profound changes in the market for life insurance. Because



Dudley Dowell

Mr. Dowell said the most general change is the increased productivity of our economy. This increase will continue to develop from the more effective use of new machinery, from improvements in production and distribution methods, and from more scientific research. This increase in the productive value of human life goes hand in hand with a further increase in per capita wealth and in the standards of comfort of the people generally. This is the general economic climate in which more adequate indemnification of human life and provision for old age becomes a must. A man in the field does not have to compete with the general poverty of an earlier day.

Another important factor affecting the market for life insurance is changing population trends. In the future the population will get larger more slowly, but there will be more families, smaller families on the average but more of them. The population is also getting older. We are growing up—in the sense that we live longer and are getting older as a group. And we are congregating in cities in larger numbers than ever before.

### Fast Family Increase

While the population has been growing more slowly, the number of families has been increasing faster than ever. From 1930 to 1940 the population increased only 7% while the number of families was increasing 16½% or twice the rate of the population rise. The average size of the American family is decreasing because of the declining birth rates, but the increase in the number of units is much more important to the life insurance business than either the size of the family or the slower increase in population. This is true for one obvious reason: The family relationship creates dependence necessitating indemnification for life, but big families may create too much dependence to permit adequate budgeting.

There is a steady trend toward larger population centers, Mr. Dowell said, particularly in the west and southeast, largely at the expense of the north and northeast. At the turn of the century this was largely an agricultural nation but today over half are living in 140 metropolitan areas and most are working for someone else.

Utter dependence on monthly income makes life insurance a most desirable device to provide income for dependents. Thus this new economic frontier, the people's great need for life insurance, is fast expanding. These population shifts suggest the consideration of establishing agencies in expanding markets.

The proportion of our population on farms probably will continue to decrease. Better methods, mechanization, the growing science of agricultural chemistry will make possible great increases in production on fewer acres and with fewer workers. But the income and living standards of those who

(CONTINUED ON PAGE 37)

## Divided Jurisdiction in Canada Is No Impediment

The divided jurisdiction between Dominion and provincial governments over insurance in Canada over the years has not been an impediment to insurance operations. The legal position is somewhat uncertain, but there are no uncertainties in practice and the system is working. This comforting message was brought to the American Life Convention Legal Section at Chicago this week by John A. Tuck, assistant general counsel of the Canadian Life Insurance Officers Assn.

What he had to say was significant in view of the prospect of divided jurisdiction between the states and the federal government in this country. In Canada the Dominion licenses virtually all Dominion, British and foreign insurers except London Lloyds, and in addition some provincial companies that have voluntarily submitted to its jurisdiction. It inspects the companies that it licenses and passes legislation respecting valuation of assets and liability, deposits, solvency, etc. Also at the request of the Nova Scotia government, it supervises Nova Scotia provincial companies.

All provinces except Nova Scotia require all insurers to be licensed by them regardless of whether they hold a Dominion license. They require documents of incorporation, etc., to be filed initially and annual statements thereafter. They do not inspect or require deposits from Dominion licensees but have the power to do so.

### Local Companies

The provinces alone inspect and supervise provincial insurers which have not registered with the Dominion. Few such companies do business outside their own province. The provinces legislate exclusively respecting the form of insurance contract and the incidents thereof, and the licensing and regulation of insurance producers and adjusters.

The great majority of insurers are quite prepared to observe the Dominion's requirements, notwithstanding the doubts that have been cast on the validity of the Dominion enactments. This is largely due to the prestige attaching to Dominion registry. The Dominion government has built an enviable reputation and its certification is highly regarded in Canada and elsewhere. In day-to-day practice, the divided jurisdiction works very satisfactorily. There is little uncertainty as to the fields occupied by each authority and the net result is highly beneficial to all, as witness the fact that no policyholder in a Canadian life company has ever lost a dollar through the failure of a company to pay what was guaranteed to him under his policy.

### Superintendents Cooperate

In the field of insurance contract law, the provincial superintendents have worked together effectively.

Since the basic law of Quebec is the civil code, uniformity of insurance contract law with other provinces has yet to be accomplished there. However, the Quebec superintendent cooperates fully.

The average tenure of office of the Canadian superintendent is from 15 to 20 years. The Dominion superintendent, G. D. Finlayson, has been in office 33 years.

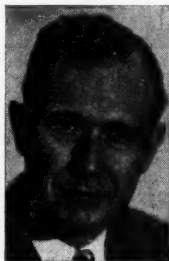
The employees of the insurance department are full time qualified civil servants. Special outside examiners are almost never employed for any purpose. Salaries of the Canadian superintendents are on a higher scale than those of the insurance commissioners in the United States. Salaries paid technical assistants in the department compare favorably with the salaries paid by insurance companies. In Canada insurers are not required to pay directly the salaries of examiners. There are no per diem charges and thus no incentive to prolong examinations.

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## Legislative Horizons Are Expanding

The horizon of legislative interest for life insurance needs to be broadened to take in proposals that do not directly relate to insurance but nonetheless constitute indirectly a very serious threat to it. This conception was conveyed to members of the American Life Convention at its meeting at Chicago by Robert L. Hogg in his report as general manager.



Robert L. Hogg

The really serious inroads upon the business are today represented only by trends, he observed. Factors that immediately may affect only other business may be the ones which in the future may ripen into the greatest dangers to insurance.

The insurance legislative policy, he declared, should be expanded even though the limits of the expansion may be hard to define.

He cited as a specific example, the Crosser bill which consisted of extensive amendments of the railway retirement act providing that an employee will be compensated for non-occupational injury. This establishes in effect government non-occupational health and accident insurance. Although this legislation did not directly relate to life insurance, it is a decided step on the part of the federal government into the field of private insurance.

### Legislative Prospects Formidable

Important insurance legislative developments lie ahead, he said. There is the Guertin law situation and the state legislation "to meet the invitation which Congress has extended to the business by public law 15." Then it will be desirable for many states to consider liberalization of investment laws. Numerous state boards and commissions are overhauling their insurance laws.

Mr. Hogg spoke of the possible effect upon life insurance of legislation that springs from the S.E.U.A. decision. Some, he said, wonder why life insurance needs to be injected into this situation. The life companies have disclaimed any direct interest in the anti-trust issue and about the only fear has been that the federal trade commission

act would cause embarrassment through the inquisitorial powers of FTC.

Although it may be true that life insurance can yet continue to function without any further state or federal legislation, the whole movement for implementation of public law 15 cannot be divorced from the question of supervision. If the fire and casualty branches cannot agree on legislation that they need, they may have to turn to Congress for relief and that would probably involve life insurance supervision.

There is no immediate threat of the establishment of a system of federal regulation. If such regulation ever arrives it will come more in the nature of a default or through lethargy on the part of the industry. The obligation is to see that state supervision does not fail and this is the joint responsibility of the entire industry and the state officials.

Life insurance may be only indirectly affected by a satisfactory solution of the rating matter, but it will be directly affected by any failure to enact proper state rating laws.

Mr. Hogg said that the plan is to enlarge the liaison between the state A.L.C. vice-presidents and headquarters. A meeting was held of the state vice-presidents to explore such possibilities. The state vice-president should be informed of anything and everything of more than passing interest that relates to a matter in his state.

### R. G. Stagg Is Commuter

R. G. Stagg has not yet become instinctively a Northwestern National Life man. When he registered for the American Life Convention meeting at Chicago he gave his company affiliation as Lincoln National Life before he realized his mistake. He has been actuary of Lincoln National and just three weeks ago transferred to Northwestern National as actuary. He has not yet been able to secure housing accommodations at Minneapolis. His family is remaining at Fort Wayne. He is thus a commuter between the two cities.

### Nelson Hadley Sees Friends

Nelson Hadley, who was for a great many years head of the life insurance division of the New York department, and who since then has been doing consulting actuarial work, was at the American Life Convention meeting at Chicago greeting old friends.

## Zone 4 Group Concentrates on A. & H. Issues

Representatives of companies renewed and amplified before the zone 4 commissioners at Chicago Wednesday their stand against the zone's call for experience by A. & H. policy forms.

A. & H. rate regulation came up for discussion, the official attitude being that such regulation would require more elaborate experience filings. Mention was made of the fact that the C.I.O. in Michigan is demanding such regulation.

### Chairman Forbes' Views

Commissioner Forbes of Michigan, chairman of zone 4, said it is apparent unless his department files a rating bill the C.I.O. will do so.

The industry representatives were Harold R. Gordon, managing director H. & A. Underwriters Conference, and C. C. Fraizer, general counsel of the conference; C. O. Pauley, Great Northern Life; J. F. Follmann, Jr., manager Bureau of Personal A. & H. Underwriters; Theodore Schwartz, Standard Accident; A. L. Hvale, Continental Casualty, and Paul Stadel, Lumbermens Mutual Casualty.

Commissioners present besides Forbes were Mueller, South Dakota; Fischer, Iowa; Pearson, Indiana, and Parkinson, motor.

Illinois. Numerous department staff men were there.

In executive session Mr. Forbes asked for an expression of opinion on the central office plan of N.A.I.C. He is chairman of the committee to study this plan, and will meet in New York in about two weeks with Harrington of Massachusetts and Garrison of California.

## FHA Chief Says Efficiency Needed

Raymond M. Foley, commissioner of the Federal Housing Administration speaking at the Thursday general A.L.C. session, called for all factors in the building industry to organize and simplify the process of building homes, saying that America needs to increase efficiencies all along the line, examine every step in home construction, and explore every new method, technique and material for added quality and speed and economy. He said also that every restrictive practice, of management, labor or government needs reexamination and should be cast out ruthlessly.

Boyd N. Everett, vice-president and treasurer of Continental Assurance, extended an invitation to the investment officers to view his company's housing project under construction at Elgin, and got up a party to make the trip by motor.

## Surrounding the Tenn. Commissioner



### WHEN THE FLASH BULB WENT OFF AT A. L. C. GATHERING:

Ralph H. Kastner, A. L. C. associate general counsel; S. E. Allison, actuary Industrial Life & Health; J. M. McCormack, Tennessee commissioner; C. G. Taylor, Jr., executive vice-president Metropolitan Life, and H. K. Lindsley, president Farmers & Bankers Life.

*"The Company Back of the Contract"*



When Fidelity was founded, Oklahoma was still Indian Territory—statehood was merely a dream. In evaluating an institution, age alone is not conclusive but coupled with success it indicates wise management and offers a foundation of confidence. For the story of Fidelity, write for your copy of "The Company Back of the Contract."

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## GO FORWARD WITH US

Men of Character and Ability Have a  
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MINNESOTA  
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## LIFE AND CASUALTY

INSURANCE COMPANY

OF TENNESSEE

**ORDINARY AND INDUSTRIAL**  
**OVER TWO MILLION POLICIES**  
**IN FORCE**

A. M. BURTON, *President*

Home Office

Nashville, Tenn.

## Housing Projects Investment Topic

(CONTINUED FROM PAGE 25)

adequacy of housing for the "white collar" group and many are especially interested in catering to this need, for they see in it a fundamentally sound investment medium for company funds. They are approaching the field cautiously, however, because of high labor, material and equipment costs, OPA rental ceilings, material priorities and other factors not subject to control.

Dr. Lewis' address was preliminary to an afternoon forum on the subject of housing, which is reported in this section.

Holgar J. Johnson, president Institute of Life Insurance, was one of the interested listeners at the luncheon during Dr. Lewis' talk. He also contributed views at a press conference on the subject of housing held the first afternoon.

Chairman Fisher Monday afternoon opened the housing forum with remarks on the general investment situation. He



N. H. Nelson



Joseph M. Bryan



D. W. Gordon

found the struggle between government, management and labor as dominating the national scene and influencing all trends. There is the question whether socialized credit is going to supplant private credit, he said. He sketched the multitudinous activities of the A.L.C. investment research committee, including the world bank project, proposals to modify state laws to permit financial institutions, including life companies, to invest in bonds of the bank, etc. The country is in a period of highly inflated real estate market, Mr. Fisher said, with great competition for mortgages.

### Lacy Answers Queries

O. J. Lacy, president of California-Western States Life, following his talk in the forum, answered a number of questions that were submitted. His company has financed well over 2,000 homes, the last 500 now being nearing completion, and his company now feels qualified to go further and handle more angles of the housing transaction, even to serving as owner, builder and agent for disposal of properties.

This permits better selection and control of tenancy. One rotten apple in a barrel, he stressed, may spoil the whole barrel of fruit. He was asked as to legal authority for such activities, and explained his company's general counsel, H. Harold Leavey, was instrumental in securing passage of such a law in California.

Mr. Fisher noted that Continental Assurance is building a housing project at Elgin and invitation was extended to look over the project. About 160 homes are under construction there in this project.

Van Ness Bates, manager of John Hancock's bureau of housing, in telling of that company's Hancock Village

## Skutt Chairman of Legal Group

(CONTINUED FROM PAGE 23)

tion for the past two years, elevation to the post of chairman marked the second signal honor he has achieved within the year. He is currently chairman of the Insurance Section of the American Bar Association.

B. M. Anderson, counsel Connecticut General Life, who was named secretary, has been active in program affairs of the Legal Section. Born in Alabama, educated in Virginia, he told section members that, now that his election campaign had been successful, he could tell them that he was really a Yankee and a Republican.

As Berkeley Cox, Aetna Life, chairman, put it in his introductory remarks, the program of the Legal Section at this year's A.L.C. meeting was the broadest in scope and the most ambitious ever presented. This was done on the theory that insurance legal executives must be apprised of virtually every phase of the business without being circumscribed to a narrow legal field.

Mr. Cox warned that life insurance is

project, exhibited architects' sketches showing the interesting architectural styles employed and a large aerial photograph of the project.

Donald B. Woodward, second vice-president of Mutual Life, opened the Tuesday morning session with a talk on "Why and What Is the Investment Problem?" All sessions were held in the large ballroom and nearly all chairs were filled.

Dr. Ernest M. Fisher, professor of urban land economics, school of business, Columbia University, substituted on the morning program for James H. Clark, partner in Duff, Anderson & Clark of Chicago. Dr. Fisher's subject was "The Role of Credit in the Real Estate Market."

Dr. Fisher exhibited a number of slides. He was secured for the A.L.C. program by the investment research committee.

### Great Interest in Shields' Talk

There were 100 more than the reservations who appeared for the Financial Section luncheon Tuesday to hear Murray Shields, economist and vice-president Bank of the Manhattan Co., talk on inflation, interest rates and investment policy. Then a great many more company men who had been busy in other activities showed up merely to listen but not to eat. The large private dining room was crammed full with chairs and many men had to stand.

An analysis of common stocks was given Tuesday afternoon by B. Hollon Smith, assistant treasurer of Bankers National Life. W. R. Montgomery, Southland Life, discussed some of the points taken up in the Smith paper. Timing, size of issue, judgment as to purchase and diversification are important. Size of purchase is vital, for a very large purchase easily could affect the market, he said. He noted that some companies have invested more money in housing mortgage loans than the total of their income. Investment of tremendous sums in the market could throw off the figures by means of which the companies gauge their investments.

James H. Clark, who was to have spoken in the morning, read his paper on industrial preferred stocks, winding up the speaking part of the program. He had given his time to Dr. Fisher in order that the latter might return to New York.

The nominating committee consists of: Chairman, Grant Torrance, Business Men's Assurance; R. B. Richardson, Western Life, and Ehney A. Camp, Liberty National.

Don F. Roberts, vice-president Acadia Mutual, spoke congratulating the new officers. He is a past chairman.

much more than an interested spectator in the fight to retain state control over insurance regulation. He said that if the federal government gained regulation of the fire and casualty business, it was hardly conceivable that the life business would go untouched even though its house is in order.

Sole speaker for the opening morning session of the Legal Section was Alan L. Austin, counsel Midland National, who warned that the principles involved in the Frazier-Lemke act might be embodied as permanent law and be extended into the home mortgage field.

He said that if the Supreme Court does not recede from its present holdings in Frazier-Lemke cases, the limit of the power of Congress to change the rights of a mortgagee has probably not been reached.

Mr. Austin pointed out that while at the present time benefits of the act are limited to insolvent farmers who in order to receive the benefits of the act must put all their property, except exemptions, under court control, no constitutional reason is apparent that a farmer should by law be required to be insolvent or have the proceeding involve all his property.

#### Depression Danger

It becomes apparent that it might be possible to have a farmer file only to his farm without reference to his personal property, Mr. Austin declared. The same principles might easily be applied to mortgages on homes. All this might become true in the case of another serious depression and life companies would become further victims of a system which appraises property at its current value, rather than the value at which the mortgage was originally set.

Mr. Cox then appointed a nominating committee for the Legal Section consisting of J. P. Lorentzen, vice-president and general counsel Bankers Life of Iowa, chairman; Robert A. Adams, general counsel American United Life, and James C. Jones Jr., general counsel Missouri Ins. Co., all of them past chairmen of the Legal Section.

The section adjourned for luncheon at which Dave E. Satterfield, Jr., executive director and general counsel Life Insurance Assn. of America, outlined the work done by the all-industry committee.

First speaker at the afternoon session was Phineas M. Henry, vice-president and general counsel Equitable of Iowa, who called for a more realistic attitude on the part of courts and juries toward suicide cases.

#### Kastner for Wetterlund

Ralph H. Kastner, A.L.C. associate general counsel, took the rostrum in the place of R. J. Wetterlund, vice-president and general counsel of Washington National, who was unable to be present and whose speech was postponed over until the next day.

In reviewing in detail the highlights of legislation and court decisions of the year, Mr. Kastner called attention to the general reduction in litigation engaged in by life companies.

The McCarran act will in time bring about a nearer approach to the enactment of adequate uniform laws in all of the states, William H. Jeter, Gulf Life, declared. While complete uniformity to an extent greater than now exists is desirable, even though it is not required under the commerce act, except in specific instances, it is apparently expected by Congress, he said.

Tom Leeming, associate general counsel of Franklin Life at Chicago and his wife were hosts at a cocktail party for Legal Section members Monday afternoon.

#### A. L. Kirkpatrick on Hand

A. L. Kirkpatrick, head of the insurance department of the U. S. Chamber of Commerce, was on home grounds in attending the American Life Convention meeting at Chicago. He was until a year or so ago insurance editor of the Chicago "Journal of Commerce."

## Financial Unit Is on Its Toes

(CONTINUED FROM PAGE 25)

conomic Research, Inc. of New York City to make a thorough study of urban mortgages during the past 20 years. The purpose of this study is to develop measuring sticks for better mortgage lending practices, cyclical swings and an answer to certain problems. Following, a complete study in farm mortgages will be made.

A committee on preferred stock valuations has been doing an outstanding job in an effort to present to the commissioners formula for the valuation of preferred stock, Mr. Fisher said. George Emory, financial vice-president of Home Life of New York, is chairman. Much remains to be done with reference to the valuation of other types of assets for statement purposes. The definition of non-amortized bonds should be more clearly defined and the valuation of real estate and common stocks should receive attention.

"Paul Bestor, vice-president of Prudential, is chairman of the committee on post-war housing. This committee has employed the services of Miles Coleman of Washington, an expert in the housing and mortgage loan field. The interpretation of the Cooley Bill which sets up a new agency, the Farmers Home Administration under the jurisdiction of the Secretary of Agriculture, tells you a new story in the subsidized agriculture and insurance. All the activities under the Bankhead Jones Farm Tenant Act, many special loan activities of the Farm Credit Administration, and a system of farm mortgage insurance are provided for in the act. The rate of interest in farm mortgages is set at 2½%. This committee also submitted data in connection with the Wag-

(CONTINUED ON PAGE 35)

## Fight Against Cheap Money, for Guertin Bill, Adams Urges

(CONTINUED FROM PAGE 17)

involves a slight increase in the cost of carrying the public debt, but that is the unavoidable but exceedingly moderate price of controlling inflation. It would be infinitesimal compared to the cost of inflation to the country. "I mean the inflation which we have now," he emphasized. "Inflation robs everyone, but none so cruelly as that substantial portion of our population which is living on fixed incomes from life insurance proceeds. These bid fair to become the forgotten people in our present economy. They are not organized. They have no power of collective bargaining except through us who are their trustees. To speak for them with all the authority which we can muster is more than our right, it is implicit, nay, it is imperative, and our duty."

Next to inflation, the subject of greatest concern is that of regulations, Mr. Adams contended. There is no better regulated business in the country than life insurance and the institution itself is the best evidence of the success of the present system. Its basic virtue is that it supervises instead of controls. Life insurance has been regulated adequately, effectively and intelligently in the public interest and has been permitted to operate essentially as a free enterprise. He said the chief fear was that a concentration of political power will place the billions of life insurance savings laboriously accumulated by the American people within the control of a single bureau or an individual bureaucrat.

The president said the status of state supervision, much confused since

(CONTINUED ON PAGE 38)

## Housing Forum Has Big Appeal

(CONTINUED FROM PAGE 25)

above average and rents depressed, the skeptic or the timid man will doubt that it is advisable to build, even though building costs are low. When occupancy is at a premium and rents above normal, Mr. Lewis said, the same man will doubt that the time is wise to build because building costs are high.

"For the institutional investor," Mr. Lewis said, "embarking upon a long-term program of large-scale housing construction, timing is a relative matter. The important thing is that a start be made, not necessarily under the most favorable conditions, but under circumstances that seem to promise investment soundness for the long pull."

#### Build Residential Neighborhoods

He said that one way to achieve protection for urban residential neighborhoods is to build it into them—to build neighborhoods as large-scale planned communities from the ground up in one operation, designed to be owned and managed over a term of years on a sound, income-producing, rental basis.

Neighborhoods so built, properly maintained and intelligently managed, he declared, offer an attractive medium for the secure investment of funds with a safeguarded, adequate return.

"The building and management of such enterprises should be particularly and increasingly attractive to the great insurance companies of America," he contended.

Mr. Lewis declared the policies of the government in recent years have not encouraged private building at any level. Private enterprise on the one hand is called upon to show what it can do, and on the other hand is hamstrung by a multiplicity of regulations that have made building almost impossible. Capital—and particularly the public spirited managements of insurance companies—will cooperate as regulatory and other barriers are removed.

Delays made necessary by "conflicting governmental edicts" and scarce building materials were described by Mr. Lacy, whose company's Lakewood project is now in the planning stage. The plan, which called for the purchase of 100 lots and the building of 100 five and six-room houses to sell for \$7,000 to \$10,000 was laid before the company's directors in January.

"With the advent of conflicting governmental edicts," Mr. Lacy said, "one

# LIFE DID "BEGIN AT 40"

## TO THE AMERICAN LIFE CONVENTION — Greetings and best wishes for a great convention!

As the A.L.C. completes its 40th YEAR in 1946 and enters its 41st year, we hope its progress will be just as gratifying as the following facts and figures are to Indianapolis Life.

IN 1945—Our 40th Anniversary Year, the Company's gains exceeded any year in its long and notable record, but in —

1946-TO-DATE — GAINS have already FAR EXCEEDED THE ENTIRE YEAR of 1945.

—GAIN of INSURANCE IN FORCE for first 9 months exceeds the entire year 1945 by over \$4,000,000. Total in force now \$171,000,000.

NEW PAID BUSINESS is 77% ahead of the same period last year.

EARNINGS OF FIELDMEN continue to climb (Full-time men averaged \$8,485.00 in 1945).

Economic conditions are helping, but careful selection, thorough training, constant retraining, adequate modern working tools—including an unusual rate book giving instant answers to programming problems—a happy family type relationship between field and Home Office, are also most important factors.

## INDIANAPOLIS LIFE INSURANCE COMPANY

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A. H. Kahler,  
2nd Vice-President  
Supt. of Agencies

Edward B. Raub,  
President



## Mid-Year Report

During the first six months of 1946 life underwriters of Farmers & Bankers Life wrote 61% more business than they did in the first half of 1945.

This remarkable increase didn't "just happen." Largely responsible is the Farmers & Bankers sales training program — a program that improves the skill and technique of our salesmen. A Farmers & Bankers Man is a Career Man.

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FARMERS AND BANKERS LIFE  
Insurance Company**  
WICHITA, KANSAS

H. K. LINDSLEY, President  
F. B. JACOBSHAGEN, Vice Pres.-Secy.  
J. H. STEWART, JR., Vice Pres.-Treas.

agency checking you just as another gives you the green light; with April freezing of housing for GI priorities and price limitations, our company, which established a wartime record of family occupancy within 90 to 120 days of the inception of the housing plan, has been able to proceed only so far as to qualify the building lots for FHA-GI. Today, too, many building materials are scarcer than they were when we first authorized this project nine months ago."

Explaining that the Lakewood project is planned for individual sale rather than rental, Mr. Lacy described seven steps in the formation of the plan—selection of suitable land, employment of competent engineers to plat the land, selection of a builder of ability and integrity, selection of a selling agency which will undertake to sell the completed homes at a minimum commission.

"The acute scarcity of building materials, the uncertainty of building costs and the interminable and ever-changing governmental edicts raised many problems which so far have prevented carrying the project through to completion. But we do intend to see it through, as we did in the building of strategically located housing for defense workers in war time," he said.

### Plans for Hancock Village

Also in plan stage is Hancock Village, which Mr. Bates described as an ultra-modern—but not modernistic—individual home development for some 800 families, to be built as a rental project in the Boston suburbs of Brookline and West Roxbury. When completed it will provide garden village living within 20 or 25 minutes from downtown Boston. Ground was broken Sept. 3 for this project.

He cited six reasons in urging the entrance of life insurance into more and more home construction. They are: Safety of investment, adequate rate of return, satisfactory public relations, the application of premium income to human needs, the actuarial advantages resulting from good housing, and civic betterment.

Although his own company has chosen the rental, garden village as its first enterprise, and considers it under present conditions the wisest to undertake, Mr. Bates also discussed the possibilities of short-term investments, including the construction and immediate resale of dwellings or the construction of houses and the formation of a mutual home ownership association. He advised that under either plan, larger unit operations of 50 to 500 or more homes be constructed at a time, and that "when, as and if laws permit," the coming science of pre-assembled and prefabricated housing be employed in such operations.

### Salvage Operations in Canada

Paralleling the difficulties of building under present conditions described earlier by Mr. Lacy was Mr. Reid's account of the Canadian housing program undertaken by insurance companies there. Although it was hoped that two or three projects might be begun in the fall of 1945, it took many months of negotiation to finalize the enormous number of details and the necessary agreements with governmental authorities. Later, he said it became apparent that suitable land for large scale development was relatively scarce and the situation in respect to both materials and labor was "appallingly bad."

Entrance of Housing Enterprises of Canada, Ltd., into the salvage field was described by Mr. Reid as very successful; he said it has been possible, as various service camps have been declared surplus, to secure very good seasoned lumber and many other scarce items at low cost.

Although an original goal of 10,000 units was set, 3,400 units will comprise the 1946 program, Mr. Reid said, which it is hoped will be finished no later than June, 1947. The plan for 1947, now subject to government approval, will call for about 4,500 units.

Building operations under the program are centralized through the hold-

ing company, Mr. Reid explained. This was incorporated with a very nominal common stock capital and an authorized debenture issue of \$5 million, the terms of the debentures to be 50 years with principal and minimum annual interest of 2½% guaranteed by the Dominion government and with the maximum annual interest return limited to 5%. In addition, 90% of project costs may be borrowed from the government at 3%.

"The 90% government mortgages are granted to the subsidiary or operating companies and the Dominion government also guarantees a minimum return of 2½% half per cent on the capital stock of each such subsidiary, so we really have a double guarantee," Mr. Reid said. You will see that even if most of the subsidiaries were leaning on the guarantee, the return on the debentures might still be better than 2½%.

"The guarantee of the debentures may appear somewhat unnecessary but the government agreed to it to qualify the debentures as a legal investment for the United States companies operating in Canada, since we were all anxious to have their participation."

### Father and Son Teams

Several father and son combinations were in evidence at the American Life Convention meeting. Charles G. Taylor, Jr., executive vice-president of Metropolitan Life, was accompanied by his son, D. Q. Taylor, who is a young attorney at Louisville; W. T. Grant, chairman of Business Men's Assurance, had with him his son, William Grant, who is developing reinsurance accounts for B.M.A., and Alfred MacArthur, president of Central Life of Chicago, had on display Alexander MacArthur, who is engaged in real estate activities.

Lee J. Dougherty, chairman of the advisory council of Occidental Life of California, was host at a cocktail party Tuesday evening.

## Heap Laurels on Phil Hobbs at Chicago Banquet

Philip B. Hobbs, new president of the National Assn. of Life Underwriters, was given an ovation at a dinner in the Edgewater Beach hotel, Chicago, Tuesday night during the annual meeting of the American Life Convention. The hosts were the Life Agency managers of Chicago, and many of the country's leading life company and organization executives attended.

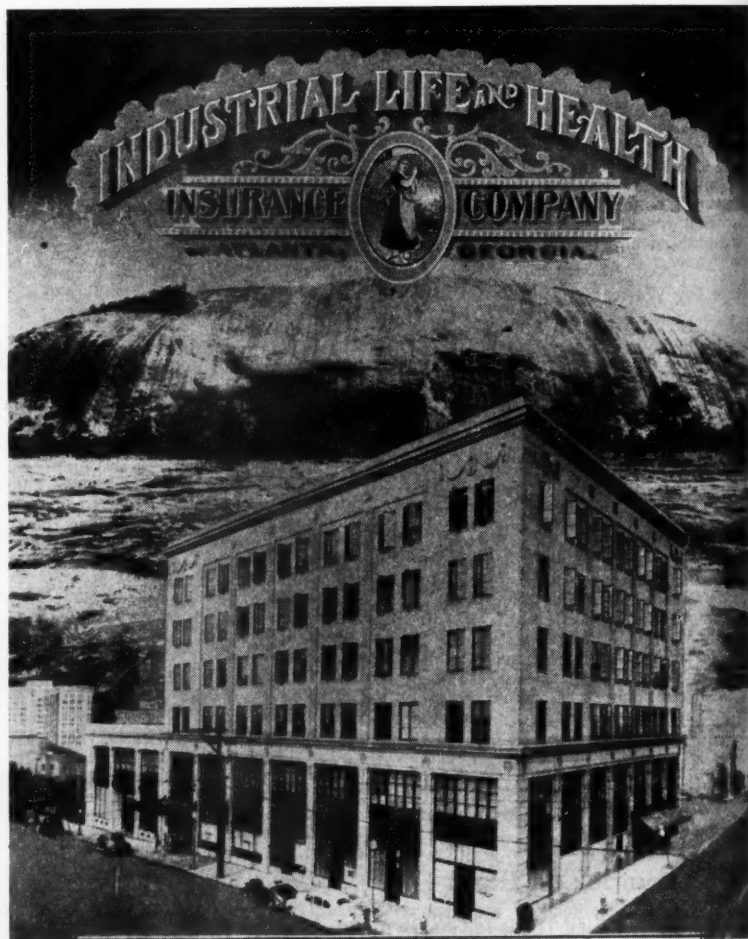
He was overwhelmed by the many expressions of esteem from an imposing array of speakers, but he weathered the storm and came up with the pointed quips for which he is famous. In reply to the brief talks in which his many accomplishments had been pointed out, his untiring work for many years for better field conditions and field men, he said he had been endorsed for a variety of posts in the business down through the years but in the next year will come up for a post for which he will need no endorsement—that of past president of the N.A.L.U.

### Noted Commentators

Holgar J. Johnson, president Institute of Life Insurance, said Mr. Hobbs "probably has as brilliant a mind as any man who has held the office of president of the N.A.L.U. for a great many years."

Bruce E. Shepherd, manager and general counsel of Life Insurance Assn., said he is a grand fellow who has worked very closely with that group as a member of the federal legislation committee of N.A.L.U.

Charles J. Zimmerman, former Chicago general agent of Connecticut Mutual, now director of institutional rela-



FOR MORE THAN HALF A CENTURY, STRONG AND ENDURING AS  
STONE MOUNTAIN, IN WHOSE SHADOW OUR HOME OFFICE STANDS

sons of L.I.A.M.A., was toastmaster and added his felicitations. Mr. Zimmerman is a past-president of N.A.L.U., and worked with Mr. Hobbs on legislative committees of the Illinois and National assns.

Insurance Director Parkinson of Illinois congratulated Mr. Hobbs on his new post and the life managers on having one of their group so recognized. Paul W. Cook, Mutual Benefit general agent in Chicago and president Chicago assn., got in quite a bit of "commercial" for his group before getting down to felicitations.

#### N.A.L.U. Trustee Speaks

Judd C. Benson, Union Central, Cincinnati, N.A.L.U. trustee, was very enthusiastic about what Mr. Hobbs has accomplished and will do for the N.A.L.U. "No member ever has had more courage to express his convictions than has Phil Hobbs," he said. "Then, too, having determined the things of the most interest and importance to members, he always is very diligent in accomplishing the objectives." He noted that Mr. Hobbs had sat that day in a conference with about 20 leading life company and organization executives and what he had to say carried great weight.

James E. Rutherford, executive vice-president of N.A.L.U., gave his meed of praise and pledged cooperation. He noted N.A.L.U. membership has reached 47,700 and promised Mr. Hobbs it would be 50,000 by Dec. 31, and 52,000 by next July 1.

#### C.L.U. Men Take Part

John D. Moynahan, Metropolitan, Chicago, another N.A.L.U. trustee and past president American Society of C.L.U., and Roland D. Hinkle, Equitable Society, Chicago, present C.L.U. president, offered their congratulations.

Mr. Hobbs was presented an ebony gavel, silver bound and inscribed, by Mr. Zimmerman on behalf of the Chicago managers. C. M. Cartwright, editor THE NATIONAL UNDERWRITER, was recognized as "dean of the insurance journalists."

Mr. Hobbs spoke only briefly in response, saying he could not find the words to express his thanks for the demonstration of his friends. He commented that Chicago has produced quite a number of N.A.L.U. presidents, including S. T. Whatley, Aetna Life general agent and later agency vice-president, now dead; Harry T. Wright, Equitable Society; A. E. Patterson, then Penn Mutual general agent in Chicago and now executive vice-president of Mutual Life, as well as Mr. Zimmerman. He thanked Mr. Rutherford for the membership pledge.

John M. Caffrey, John Hancock, presided as president of the Life Agency Managers.

#### Tickner Gets "Grid" Feast

Verne Tickner, president of Great Eastern Mutual Life of Denver, motored to Chicago for the A.L.C. convention and got in some intensive recreation as well as inspiration and information at the meeting. He took in the Northwestern-Wisconsin football game at Evanston last Saturday, and is leaving Chicago for Owosso, Mich., for a reunion with some high school cronies of 40 years ago and then will attend the Michigan-Army game at Ann Arbor Saturday.

There was a stiff gale on Lake Michigan during the meeting and five-foot waves were pounding on the Edgewater beach, so the company officials were content to remain in the hotel and were not interested in strolling along the lake front.

The A. L. C. men were interested in two Sikorsky helicopters owned by the Greyhound bus company which landed on the beach in front of the Edgewater and gave a demonstration.

Donald Taylor, son of C. G. Taylor, executive vice-president Metropolitan, attended the meeting. Following his discharge from war service, he has joined with Marshall Bullitt, well known insurance attorney at Louisville.

## Cites Financial Section Activity

(CONTINUED FROM PAGE 33)

goner Ellender Taft Bill," Mr. Fisher said.

"A committee on public debt was organized. Donald Woodward, second vice-president of Mutual Life, is chairman. This committee has been instrumental in producing facts for use of the liaison committee in an effort to show the Treasury interest rates should not be permitted to drift to lower levels."

The research committee decided to cooperate in a bond study covering the past 44 years. This study is being made in conjunction with the National Bureau of Economic Research to determine what kind of bonds by maturity, type, coupon, yield, and industry have given the most satisfactory results. Fergus McDiarmid, manager investment research department, Lincoln National, is chairman, he said.

Stephen M. Foster, economic advisor of New York Life, is chairman of the Bretton Woods committee. This committee is following the organization of the Bank of Reconstruction and Development. The bank is sponsoring model legislation in each state enabling financial institutions to invest in the bonds of the bank.

Frederic Ecker, financial vice-president of Metropolitan, is chairman of a committee studying the functions of the capital market.

Mr. Fisher also referred to the Life Officers Investment Seminar, saying: "In July the first post war meeting of the seminar was held at Indiana University. 85 representatives from the various life insurance companies attended. It was a rugged two week course in international political, economic and financial relations; federal economic and fiscal policies; management of the public debt; money, credit and interest rates and the business outlook. Outstanding authorities delivered the lectures. The seminar was considered an outstanding success."

## Enlarge Executive Committee; Clarke Is President

(CONTINUED FROM PAGE 17)

pressive and even the ample facilities of the Edgewater Beach were taxed at times.

At the executive session A. E. Patterson, executive vice-president Mutual Life, gave a report on NSLI and Veterans' Administration, as chairman of the joint committee on the subject.

He said the remedial legislation could not be passed by Congress immediately after the war; if this had been done a great deal of NSLI would have been prevented from lapsing.

It was recommended that much study and work be done by company presidents and their forces on the subject of conserving the government insurance.

Ronald Stagg of Northwestern National reported for the premium tax committee. The tax question was put in chaotic state in 1945 by the U. S. Supreme Court decision, he said. The issue arose whether the states or the federal government should receive the tax. Litigation was started over the question whether there can be discrimination between home and non-home state companies.

At the meeting Wednesday evening it was voted to hold the 1947 meeting at Chicago in October.

The executive committee was directed to give consideration to forming a section for the smaller companies.

## General Practitioner

America owes a special debt of gratitude to the neighborhood doctor, the general practitioner whose 'round-the-clock labors have endowed him with a priceless universality of experience in treating the myriad ills of mankind.

The debit man holds a comparable position in the life insurance field. His daily contacts with persons in all walks of life and in every income group afford him unlimited opportunities to serve the economic needs of all classes.

Home Life agents are completely equipped with modern policies designed to cover all life insurance needs, and with premiums payable in weekly or monthly installments as well as on the regular annual, semi-annual or quarterly basis.

We are proud to report that our field representatives are realizing their capacities for public service to the fullest extent and that their training and experience as "general practitioners" in the life insurance profession are being effectively employed to benefit every economic segment of the communities which they serve.

## THE HOME LIFE INSURANCE COMPANY OF AMERICA

DANIEL J. WALSH  
President

BERNARD L. CONNOR  
Vice President and Secretary

CHARLES T. CHASE  
Treasurer

Executive Offices: Philadelphia, Pa.

## The Home of Complete Protection

- Life • Accident • Health
- Annuities • Hospitalization • Group
- All-Ways

W. T. GRANT  
Chairman  
J. C. HIGDON  
President



Centrally Located—  
Serving the Nation  
from Coast to Coast

BUSINESS MEN'S ASSURANCE COMPANY  
KANSAS CITY, MISSOURI

## A GROWING COMPANY in A GROWING BUSINESS

The reasons are many, but the more important ones are:

- \* Life insurance is continuing to add to its great and honorable century-old record for human good.
- \* By this Company's methods and practices we strive to contribute to the above ideal.
- \* A loyal, hard-working agency organization.
- \* A constant desire on the part of the Company to give whole-hearted cooperation to field representatives.

### WISCONSIN NATIONAL LIFE INSURANCE COMPANY

Oshkosh, Wisconsin

Assets in excess of \$15,000,000

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Hospital, Group, Salary Savings  
Insurance & Annuities

### • PROVEN TRAINING PLAN

Complete, Up-to-date, gives  
early Production

### • FIELD TESTED SALES PLANS

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### WESTERN RESERVE LIFE INSURANCE COMPANY

A. F. Ashford, President

HOME OFFICE

AUSTIN, TEXAS

"Registered Policies"

## Boissard Allays Fear on Margins in CSO Tables

(CONTINUED FROM PAGE 21)

would be equal to 24.8% of the AE expected mortality. For 1945 such a change would equal 27.3% and for 1947 it would equal 29.8%. Hence if low interest yields continue together with increasing reserves, the problem grows in importance for a period.

Mr. Boissard predicts that National Guardian's total reserves will reach a peak of about 33% increase in 1954, 13½ years after discontinuing the writing of this class of business. He expects that it will get down to the 1941 aggregate amount in 1969, or 28 years later.

### Like a Separate Fund

He suggested that the old 3½% business might be considered as being represented by a separate fund. All of the business as of July 1, 1941 was created by that business and could properly be considered as belonging to that fund. Such surplus would help the earnings of the fund. He said that such a fund could liquidate itself without any aid from future new business written on a lower interest assumption. He said he sees no necessity for "strengthening" the reserves appertaining to that fund. If some of its assets are called or sold at a profit such profits can be used either to write down the asset value of new assets purchased or added to surplus. Taking so many dollars out of earnings or surplus and using them to increase reserves in itself does not create any more dollars nor strengthen the company. It merely lessens the temptation to spend them.

### Increases Are Noted

If reserves were strengthened to the AE 3% basis the increase would be 6%, to change to the CSO, 3% would produce a 9.1% increase and to change to CSO 2½%, the increase would be 16.3%.

There would be a great amount of work involved in changing all of the net premiums and to a Wisconsin company reducing the interest assumption and increasing the net premiums on old business would, since the gross premium could not be changed, result in reduced loading. The increase in renewal net premiums and decrease in loadings on the 3½% business would be \$37,000. This would just about wipe out the difference between actual expenses and the expense charges available under the Wisconsin statutes on this block of business. "Such a statute does not necessarily operate under present conditions in the general public interest," he declared.

## Hear Many Talented Speakers at the Sessions

(CONTINUED FROM PAGE 17)

companies including the CSO mortality table; the interest rate, the expense rate and the so-called volume strain on surplus.

Gilbert E. Jackson, Toronto economist, explained the various phases of communism and said that life insurance, the greatest single stronghold of capitalism, should explain what communism really is, so that the people could recognize it as a threat to our society.

Commissioner Raymond M. Foley of federal housing administration had a message of interest to many of those present when he urged simplification and better organization of building processes.

The annual dinner dance was held Thursday evening, preceded by refreshments.

## Kastner Scans Legislative Year for Lawyers

(CONTINUED FROM PAGE 22)

appear to have been dismissed or are not being pressed to completion.

He said the rumor prevails that several states which, in 1945, passed tax equalization measures because of the S.E.U.A. decision, may attempt to go back to the old discriminatory basis at forthcoming legislative sessions.

Mr. Kastner referred to enactment by Congress of the Crosser bill, which among other things provides sickness insurance for railroad workers. Many, he said feel this might constitute the pattern for broadening of the social security act.

He reviewed developments in the realm of social security, National Service Life Insurance, temporary extension of Frazier-Lemke act, and the legislative reorganization act of 1946.

Mr. Boissard gave some reflections on expenses and on the volume strain on surplus. If the companies would make a separation between their old 3½% business and the 3% business they are now writing for example, they would probably be astonished at the capital tied up in new business, he said. It would emphasize the risk involved in making too large an investment in business in proportion to the renewal underwriting margin available from seasoned renewal business already on the books.

## Dineen Gives CSO and AE Cash Value Comparisons in Chicago Paper

The following comparison of minimum cash values under American Experience 3½% net level reserve less \$25 and the CSO Guertin minimum was contained in the paper given by Superintendent Dineen of New York at the A. L. C. gathering. The values are computed to the nearest dollar.

Plan of Ins.	Ages at Issue									
	25		35		40		45		55	
	Minimum	Cash Val.	Minimum	Cash Val.	Minimum	Cash Val.	Minimum	Cash Val.	Minimum	Cash Val.
Duration	3% AE	Guert.	3% AE	Guert.	3% AE	Guert.	3% AE	Guert.	3% AE	Guert.
Ord. L.										
3	2	5	15	14	24	20	35	26	62	43
5	21	29	43	48	59	59	77	71	121	105
10	74	94	121	135	152	159	188	186	266	241
15	135	165	208	228	253	263	302	301	403	383
20	206	242	303	323	358	368	416	414	526	506
20-P. L.										
3	30	29	43	40	51	45	60	50	79	63
5	70	74	93	95	106	105	121	115	151	137
10	184	196	231	243	258	267	287	290	337	330
15	319	335	393	411	435	449	475	485	542	543
20-Yr. End.										
3	82	78	83	77	83	76	85	75	90	77
5	160	163	161	161	162	160	164	159	170	160
10	383	398	382	395	383	393	384	389	383	390
15	651	674	649	669	648	665	645	659	631	644

## Dowell Sees Vistas Ahead

(CONTINUED FROM PAGE 30)

remain on farms will increase and make them even better life insurance prospects.

Important as are these physical changes to marketing plans for the future, they are not as important as the rising level of the American intelligence, he asserted. Behind this striking improvement in the national level of intelligence is the tremendous rise in formal education.

Better educated, the modern American has a far greater appreciation of his responsibilities to his family and to society at large. It is obvious that any improvement in mass intelligence bears a very close relationship to the future marketing methods for life insurance, Mr. Dowell said.

"Most of these trends are in our favor as we consider our new economic frontiers, but a few of them may not be. They are normal at this stage of development in such a great industrial nation as ours and indeed pose a real challenge to life insurance sales management," he declared.

"We will need more better-selected and better-trained men. We will need more complete market research so as to know how to take full advantage of new economic frontiers."

A striking economic change is in the total national income which has more than doubled since 1940, amounting in 1945 to over \$160 billion. He said that 112 non-government economists have estimated national income averaged at \$149 billion for the five year period 1946 to 1950, nearly double the 1940 figure. Predictions on the rise in the cost of living between now and the first of the year vary from 5% to 10%. Their guesses average out at about 50% more than the 1935-39 average at least until 1950.

## EFFECT ON SALES

If the economists are accurate in their predictions for the next five years and the national income and the price level remains high, there will be some interesting effects on the sale of life insurance.

Admittedly the average prospect is not twice as well off as before the war but even after adjustments are made the average person still has more spendable surplus than ever before, Mr. Dowell said. Moreover, more people have this spendable surplus than ever before.

Rising prices for the necessities of life however call for an increase of about 50% in prewar life insurance programs if a father would leave his family just as well provided for today as he had provided in 1940.

The third important change which tends to make life insurance the only certain method of providing adequate protection for dependents and ample provision for retirement is the squeeze of high taxes combined with low interest rates.

The prospect must provide more insurance to meet the needs of his dependents, since low rates of interest mean lower income from his insurance proceeds under settlement options.

The great majority of policyholders are dependent on earned income and many are debtors, through a home mortgage or business loan, rather than creditors. Therefore a reduction in interest rates to those people represents an increase in income which can be used to buy more life insurance.

"We can be sure that the federal budget and general taxation will remain permanently on a much higher level than any pre-war scale," Mr. Dowell said. "The tax system, as it will be constituted, will make it very difficult if not impossible to accumulate and transfer estates by inheritance. But this tax system gives to life insurance certain at-

## Agency Section Holds Forth

(CONTINUED FROM PAGE 18)

Life, and chairman of the agency section of the Canadian Life Insurance Officers Assn., declared in a talk on "Human Relationships with the Field Force."

James A. Fulton, president of Home Life of New York, warned the section against attempting to use on a wide scale the results of experiments before these had been thoroughly field-tested over a considerable period of time.

## Wetterlund Asks United Front

(CONTINUED FROM PAGE 23)

present their side of the argument.

Commenting on the progress of compulsory health plans, Mr. Wetterlund pointed out that the show will be staged in Washington with many hearings and much publicity while the states will quietly pass a few bills each year, accomplishing the same purpose. Then it will be argued that federal action must be taken to correlate the state programs.

The argument that social security was actually a benefit to life insurance was attacked by Mr. Wetterlund. He maintained that social security planners capitalized on the life business and under law forced on the public the benefits of life insurance and annuities which companies had induced a large number of the population to purchase voluntarily.

He reviewed the plans now in effect in Rhode Island and California, as well as the Crosser bill and the Wagner-Murray-Dingell proposal.

He pointed out that the experience of the A.&H. industry showed that claim loss ratios are always low in summer and higher during the winter, whereas in Rhode Island claim experience is exactly opposite. This is due in large part to employees taking vacations at the expense of the state by filing false sickness claims. The Rhode Island plan is losing money at the rate of about \$1 million a year.

In California the companies were lucky to be cut in at all on the business and statutory difficulties and interpretations may make it impossible for them to compete with the state fund. They are allowed only 1% of employee contribution toward premium and must at the same time provide greater benefits than the fund.

The Crosser bill provides survivor and death benefits from 25% to 50% more than similar payments under the social security law for industry generally.

Moreover, eight states are in line to use their state unemployment fund for a cash sickness plan under H. R. 70637. Several of them are likely to take advantage of this in the near future and other states have plans on the way, he declared.

tractive features which will continue to attract those who would make adequate provision for their dependents and themselves at retirement.

"To sum up, it seems to me that statistical forecasts of our economists are a most stimulating challenge to those of us responsible for future life insurance sales management.

"Today we are enjoying a seller's market. Much life insurance is being purchased from spendable surplus, paid for out of dollars at the top of the family budget, those dollars usually spent for luxuries and semi-luxuries.

"Tomorrow's market, however, with the increasing competition for consumer dollars, will demand that we sell life insurance as the necessity that it is, to be paid for out of the dollars at the bottom of the budget—those dollars which pay for necessities," he concluded.

## The FEDERAL LIFE of Chicago

**IS HAPPY TO ANNOUNCE**  
the crossing of the \$100,000,000 mark of life insurance in force, and Accident and Health Premium Income at a rate in excess of \$2,000,000 yearly.

Several desirable openings for agency managers with a sound and progressive company.

## FEDERAL LIFE INSURANCE COMPANY

CHICAGO, ILLINOIS

ISAAC MILLER HAMILTON, Chairman

L. D. CAVANAUGH, President

## Growing with the West!

Assets (Dec. 31, 1945)

\$24,312,324.34

Surplus to Policyholders

\$2,900,000

Insurance in Force

(August 31, 1946)

\$108,574,644

## WESTERN LIFE Insurance Company

R. B. Richardson, President

## Dineen Gives Renewed Support to Guertin Bills

(CONTINUED FROM PAGE 20)

ever devised a method of making the "argot" of the actuaries the language of the man on the street, and in appraising this problem, we must gear our thinking to that fact.

Mr. Dineen went into the matter of the "adjusted premium formula." This formula, he said, assumes a specified excess of first year expenses over renewal expenses and spreads the excess over the premium paying period of the policy. This approach, he declared, is more realistic than the arbitrary deduction of a flat surrender charge. It is true that this permits higher deductions from reserves,

or higher surrender charges than the present maximum of \$25 per thousand, for an extended period which depends on plan and age-at-issue and varies from about 4 years to 18 years, but such surrender charges continue to decrease with each subsequent year of duration and are eliminated at the end of the premium paying period. Minimum Guertin cash values often are lower in the early years of policy duration than those required at present. However, such values, except for ordinary life policies issued at ages over 40, are generally higher in later years.

### Modified Preliminary Term

Under the modified preliminary term method of valuation, the legal minimum standard in many states, including New York, the results under the new law are uniformly more favorable to the policyholder throughout the life of the policy.

As to the interest differential, Mr. Dineen said by permitting the use of a

different rate of interest for computing non-forfeiture values and reserves, the bills enable a company to strengthen its reserves without obligating it to provide increased cash surrender values, subject to certain limitations. Reserves do not come out of the air.

### Seek Some Flexibility

Proponents of the bill say it would be anomalous to increase reserves for the overall strengthening of a company and at the same time be obliged to pay the full amount of the extra reserve thus accumulated to a withdrawing policyholder, under every circumstance, including, for example, that in which a company has strengthened the reserves on a particular class of policies by using a portion of the surplus not contributed by the particular class benefited. It is their view that life insurance is a long term business and that the payment of such extra funds over and above the policy guarantees should be determined by conditions existing at the time of payment. In short, they seek some flexibility in this respect.

### Legislature Difficulties

The legislative difficulties encountered in New York and Massachusetts, where most of the business is written on the net level premium method, suggest certain inquiries. Mr. Dineen said.

—Is it wise to emphasize the role of the commissioners and to minimize the part which the companies played in drafting the legislation?

—Should it not be made more plain that compared with the net level premium method, the new legislation permits, for an extended period, what amounts to a surrender charge in excess of the surrender charge permitted by present law? It is only a partial explanation to say that by a similar comparison under the modified preliminary term method surrender charges are lower, or that under the new bills, minimum cash values are generally higher under the modified preliminary term method and, after the early years, under the net level premium method.

—Is it wise to stress that minimum values under the new laws are substantially greater than comparable values produced by the modified preliminary term valuation method under the old law? Critics of the bill point out, and correctly, that where a comparison is made on the basis of the net level premium method, the values in many instances are less in the early years, when surrenders are the greatest, and are less in practically all cases where an interest differential is employed. While we accepted the validity of these arguments, we did not feel that they were of sufficient weight to overcome the major objectives and accomplishments of the bill.

Sen. Isaac Miller Hamilton, chairman of Federal Life, one of the A. L. C. founders, is a devoted and loyal attendant at all A. L. C. annual meetings. While he has come to four-score status he has not swerved from faithful and keenly interested presence at all sessions. Sen. Hamilton was on hand at the opening of the Financial Section meeting Monday and was one of a very few who heeded Chairman Fisher's exhortation to "fill up these front seats."

Three members of the housing panel at the Financial Section meeting were prepared with architect's plans and drawings of the homes their companies are building or preparing to build to show them to interested investment officers. These were O. J. Lacy, president and general manager California-Western States Life; Van Ness Bates, manager John Hancock housing bureau, and Robert H. Reid, managing director London Life. There was much interest in these sketches, and it was apparent many other companies are considering going into the housing field.

Mrs. J. B. Reynolds of Kansas City, wife of the founder and president of the Kansas City Life, the chief progenitor of the A. L. C. and its first citizen up till the time of his death, as has been her wont, was present this year. In days gone by, she was accompanied by F. W. McAllister, vice-president and general counsel of Kansas City Life, until his death. She was accompanied this year by her daughter, Mrs. W. E. Bixby, wife of the Kansas City Life president.

## Adams Gives Forceful Message

(CONTINUED FROM PAGE 33)

the S.E.U.A. decision, has been clarified greatly within the year.

He characterized passage of the Guertin legislation as a test of whether sufficient unanimity of opinion can be reached under state supervision to prove that it is practical.

He declared that every company which operates in many states is caught in the cross fire between the states in which the Guertin legislation is passed or permissible and the 14 states in which legislation is still required. Delay in the solution of this problem already has been damaging to the institution, he said. Failure to solve it before 1948 will result in great confusion.

The solution of the present impasse is not surrender, he said. The Guertin plan must be pushed with all the strength individuals and companies have to muster, he declared.

### A.L.C. Strength

President Adams said the strength of the American Life Convention is in its democracy and the independence and intimacy of its members. Despite diversity of views, the common denominator is a profound respect for life insurance, he said. Greatest A.L.C. contribution is that through it life insurance men know each other better, like each other better and work together better. The convention does not avoid issues and does not fear controversy. Argument waxes warm but answers not unanimity are at least in amity.

Mr. Adams expressed the belief that the regional meetings inaugurated this spring are a success. He said the investment seminar is one of the most unique and constructive contributions to knowledge and development in a highly important field. The sections perform functions of great importance and provide intimacy of contact among those with a common interest. He said the possibility of organizing other sections for companies of like size are good.

Mr. Adams paid tribute to the staff of the convention; to the Life Insurance Association of America and its president, George Smith, in particular, for their cooperation.

Life insurance is not and must not become partisan, he said, and in ordinary matters of political controversy the industry has no legitimate part. But upon fundamental issues of fate, consequence involving the solvency of government, the plague of inflation, the essential integrity of the enterprise system, the discarding of American foreign ideology, craven silence is betrayal.

Turning to the recent production records, he said that the immense volume in the war years does not represent mushroom growth. Sales increased sharply, but the improved persistency policies in force made an even greater contribution to the gain. The waste of lapsation was reduced to a minimum. New production was extremely satisfactory considering the depletion of the sales force and the constriction of the market resulting from 10 million in the armed forces. Life agents wrote more insurance per capita than ever before, he said, yet the total volume of new sales was less in any war year than any year from 1926 to 1930.

"This year for the first time we break the record of the lush late twenties in sales of new life insurance," A.L.C. president stated. "Our field force has been augmented, our market has been expanded numerically, however discount the situation as you will, the fact that they are buying 50% more insurance this year when controls have been partially lifted, and spending measurably easier, speaks volumes for the good common sense of the people. It speaks volumes also for their confidence in the institution of life insurance," he concluded.

# Greetings to AMERICAN LIFE CONVENTION

## THE OTIS HANN COMPANY, INC. "LIFE INSURANCE SERVICE"

333 NORTH MICHIGAN AVENUE  
CHICAGO

J. Roberts Hann  
President

F. H. Landeck  
Vice President  
& Field Manager

First Company in America to Write

## JUVENILE INSURANCE

with This Exclusive Feature

FULL DEATH BENEFIT AGE ONE

WRITTEN IN AMOUNTS OF \$500 to \$10,000 (All regular plans, liberal payor benefits, whole life premium as low as \$11.95 annually).

BROKERAGE BUSINESS INVITED from company territory (Missouri, Iowa, Nebraska, Kansas, South Dakota, Minnesota). For full details, write B. Taylor, Vice-President.



NATIONAL FIDELITY  
Life Insurance Company

W. RALPH JONES President

KANSAS CITY 6, MISSOURI

THIRTIETH YEAR OF SUCCESSFUL SERVICE

## Expanded H. & A. Conference Committee List Announced

(CONTINUED FROM PAGE 13)

and recommend action on various types of state and federal legislation pertaining to compulsory health insurance legislation, O. F. Davis, Illinois Bankers Life, chairman, and insurance department contact, headed by F. V. Cliff, Federal Life & Casualty.

S. C. Carroll, Mutual Benefit Health & Accident, heads the convention committee in charge of the annual meeting to be held in his city next May. Fred Grainger, Federal Life & Casualty, is chairman of the agency management committee; P. W. Stade, Lumbermen's Mutual Casualty, of the special risks committee, which prepared the manual for writing impaired risks and is still studying that question, and C. W. Young, Monarch Life, continues as head of the public relations committee.

## Roem to Leave Blue Cross Jan. 1 for Philadelphia Post

Dr. C. Rufus Roem, organizer and since 1937 director of the Blue Cross commission of the American Hospital Assn., coordinating agency for Blue Cross plans of the U. S. and Canada, will become executive director of the recently formed hospital council of Philadelphia on Jan. 1, and will devote only part of his time to Blue Cross.

Dr. Roem has been identified with studies in the fields of medical economics and public health since 1929. He is the author of a university textbook on accounting and was chairman of the committee which, in 1935, established a uniform system of accounting for hospitals.

## Line Up Va. Bank Group

RICHMOND—A sufficient number of banks affiliated with the Virginia Bankers Assn. has enrolled to make effective the association's group plan through which member banks may obtain life, hospitalization and surgical insurance for their employees. The plan, written by Life of Virginia, provides life insurance in amounts varying from \$2,000 to \$7,500, according to the employee's income.

## A.M.A. Approves 18 Plans

The council on medical service of the American Medical Assn. has granted the seal of acceptance to 18 additional medical care plans, sponsored by state and county medical organizations, bringing to 27 the number approved so far. In all, 80 plans sponsored by medical organizations are now operating and many of them have submitted applications for approval.

## COMPANIES

### Concentrate on One Unit

Instead of forming both a multiple line casualty company and a fire insurance company, the management of Mutual Benefit Health & Accident and United Benefit Life of Omaha have now decided to put but one new company in the field, it being United Benefit Fire. This company will be chartered for fire, marine and full coverage automobile, but the intention at first at any rate is to concentrate on straight fire insurance. The necessary SEC filings are soon to be made.

### New WSF Corporation

Properties and operation of radio station WSM have been transferred from National Life & Accident to WSM, Inc., a new corporation, to which the Federal Communications Commission has transferred the necessary license. Edwin W. Craig, National L. & A. president, is president of the new corporation; E. B.

Stevenson and Harry L. Stone, vice-presidents, and Jesse Wills, secretary-treasurer.

## \$800 Million for National

The \$800 million mile-stone of insurance-in-force has now been passed by National Life of Vermont. The company closed September with \$803,655,622 and National Life is confident of becoming a billion dollar company by the time of its 100th anniversary in January, 1950.

New sales for September were \$8,134,629, 59% better than September, 1945. Sales for the first nine months of 1946 are \$80,434,147 which is better than for the entire 12 months of 1945.

## Continental in Mass.

Continental Assurance has been admitted to Massachusetts, this being the 36th jurisdiction in which it is licensed to operate.

## Lincoln Mutual 50th Anniversary

The 50th anniversary of the establishment of Lincoln Mutual Life, until recently known as Royal Highlanders, was observed with a banquet and program, Special honor was accorded Louis E. Seikman, one of the organizers. Silver cups were presented to J. C. Rose of Lincoln and A. E. Goodchuck of Kearney, leaders in sales for the year.

Lewis E. Smith, president, was in charge.

## AGENCY NEWS

### Hartford Agency Honored

The Ralph H. Love Agency of Connecticut Mutual in Hartford was entertained at a luncheon in recognition of its sales record for the first nine months, when production exceeded that of any previous 12 months. Vincent B. Coffin, vice-president in charge of agencies, lauded the individual members of the agency for their contribution to the record. Frederick O. Lyter, superintendent of agencies, and George F. B. Smith, second vice-president, also spoke.

Six members of the agency were invited to join the leading eastern representatives of the company at a forum on various phases of advanced underwriting in New York this week.

### Simon Agency Far Ahead

The Mahlon B. Simon agency of Continental American Life in Philadelphia reports business volume in September was the largest in its history. New business for the year to date exceeds the same period in 1945 by 83% and is 40% greater than for the entire year 1945. C. S. Wilson, leading producer, and General Agent Simon already have qualified as directors of the 1947 President's Club.

## C. L. U.

### Williams New President of Richmond Chapter

Daniel L. Williams, New England Mutual, is the new president of the Richmond C.L.U. chapter; Fred H. Bunnell, New England Mutual, vice-president; Knox Turnbull, Massachusetts, secretary-treasurer. The officers and James D. Hawkins, Provident Mutual, retiring president, comprise the board.

Jewell W. Tyson, Massachusetts Mutual, Richmond, is chairman of the American Society committee on programs for local C.L.U. chapters.

### Hold Boston Forum Oct. 25

BOSTON—N. E. Peterson, vice-president First National Bank, Boston, will be the program chairman of a forum on current economic and social trends sponsored by the Boston C.L.U. chapter Oct. 25. Preservation of free enterprise,

labor and management problems, management of the public debt and the crisis of the middle class will be subjects discussed.

This meeting will be attended by business and professional men throughout New England and program brochures are being sent to many civic, business and professional groups.

M. L. Buchanan, Buchanan's Estate Service, is general chairman, with these

chairmen: Basil S. Collins, vice-president Old Colony Trust Co., speakers; D. S. Perry, Travelers, registration; E. G. Bates, Massachusetts Mutual, publicity; H. W. Florer, Aetna Life, advisory, and W. B. Thompson, Massachusetts Mutual, reception.

### Buffalo Chapter Meets

The Buffalo C.L.U. chapter met at the home of Maurice S. Tabor, Travelers.

## Packaged Plan — Packaged Premium — Packaged Profits



## THIS Life Package INVESTMENT PLAN IS SIMPLE TO SELL

Several big advantages in one convenient package sizes up this program for planned financial security — a "Life Package" that is as easy to understand as the A-B-C's. The "Preferred Guarantor" is an income-builder for you and a clear-cut investment plan for your clientele. You picture the facts of the plan and close the sale *without special study or reference to rate book*. Keep your sales curve climbing with the "Preferred Guarantor" and other Columbus Mutual Life Packages. A complete sample portfolio is yours for the asking.

### WHAT THE "Preferred Guarantor" OFFERS

Disability payments—retirement income—cash payment immediately plus monthly income to family in event of death.

D. E. Ball, President

The COLUMBUS MUTUAL LIFE INSURANCE COMPANY  
Columbus 16, Ohio



There's Substantial Money to be made even in a small town—through our General Agent's contract

Attractive General Agency territory open in Missouri, Iowa, Arkansas, Mississippi, Kentucky and Louisiana.

For further information write J. DeWitt Mills, Superintendent of Agents



MUTUAL SAVINGS

MISSOURI'S FIRST WHOLLY MUTUAL LEGAL RESERVE COMPANY

Life Insurance Company

812 Olive Street

Allen May, President

St. Louis 1, Mo.

## our Maine selling point...

... today, as always, is friendly, efficient  
**SERVICE.**

It's true ... we're not as large as many  
... yet can you judge on size alone?

We honestly strive to measure our stake  
in the kind of a job we do. And biggest  
and best ... molding profits plus ... are  
our gains in friendly service.

Thanks to our Field Force, gains have  
become a Union Mutual custom!



**UNION MUTUAL**  
*Life Insurance Company*  
**PORTLAND MAINE HOME OFFICE**

Rolland E. Irish, President  
Harland L. Knight, Agency Vice-President

... LIFE • SICKNESS • ACCIDENT • GROUP ...



## CHECK THESE POINTS

The opportunity to serve is inherent in Life Insurance, but greatest success is often measured by the plus factors offered Representatives. Shenandoah Life offers many plus factors which enhance opportunity, such as:

\* A well-rounded line of policies—all forms of Life Insurance and Annuities. \* Fair contracts and Group Life Insurance at Company expense. \* Friendly relations between the Field Force and the Home Office. \* Liberal first year and vested renewal commissions.

Openings in Virginia, West Virginia, North Carolina, South Carolina, Tennessee and Alabama.

**STRONG-PROGRESSIVE**  
**Shenandoah**  
**Life INSURANCE CO., INC.**  
ROANOKE 10, VIRGINIA  
PAUL C. BUFORD, President

Speakers included Clayton T. Knox, Mutual Life; Walter A. Schworm, Mutual Benefit Life, and Philip Cohen, Northwestern Mutual.

## MANAGERS

### Lewis Fort Worth Speaker

Richard N. Lewis, manager Great National Life, Austin, addressed the Fort Worth Life Managers & General Agents Club on agency operation.

The Fort Worth club held a banquet for the life insurance marketing class at Texas Christian University at the Colonial Country Club.

### "Butler University Night"

The opening fall meeting of the Indianapolis General Agents & Managers Association Monday night was "Butler University Night." Officers and trustees of the university were guests, as well as members of its Insurance Society. Announcement was made of the service scholarship awards offered by six members of the association.

The association plans to sponsor a class in effective speech this fall at the University. The C. L. U. class started Sept. 27 and will continue for 30 weeks. It will cover Part B.

A joint meeting with the Indianapolis Sales Executive Council is planned for Oct. 21.

### Toledo Cashiers Meet

C. Edward Spencer, vice-president of the Ohio Assn. of Life Underwriters, and Ruby Morris, president of the Toledo Life Agency Cashiers Assn., addressed the latter group Wednesday. Mrs. Pauline Hoskins, program chairman, outlined the program for the coming season.

### Tells Group Effect on Labor

Various aspects of group insurance as it affects labor relations in industrial plants were discussed by Peter M. Kelliher, attorney of the firm of Schultz, Nolan & Kelliher at a meeting of the group supervisors division of the Chicago Assn. of Life Underwriters.

Mr. Kelliher, formerly chief of labor relations section for the army, former U. S. commissioner of the department of labor, and currently labor relations law instructor at Loyola University, said that often the existence of a group contract in a plant is of such benefit to the employees that moves toward unionization are deterred indefinitely. In unionized plants members often take advantage of group coverage to take out additional insurance such as maternity benefits, he said.

## CHICAGO

### MISS STUMB ADDRESSES WOMEN

Miss Marie Stumb, John O. Todd agency, Northwestern Mutual Life, Chicago, addressed the women's section of the Chicago Life Underwriters Assn. on "What Is Estate Planning." In describing her technique in this type of life insurance selling Miss Stumb said she puts her client's estate through a so-called "test administration," in which the client and his wife sit in as their own executors, thereby gaining a clear picture of their estate's shortcomings as to liquidation, and a good understanding of the value of life insurance in making up the lack.

### ASSOCIATES HONOR WALLS

E. G. Walls, Jr., new general agent for Connecticut Mutual in Chicago, was welcomed by his associates at a dinner in the University Club. Edward C. Anderson, superintendent of agencies, presided. Louis J. Fohr, former general

agent who retired in June, and Mr. Walls spoke briefly.

### SCHOTT ON LOCATION

Robert K. Schott took his new position as manager of LaSalle agency of Phoenix Mutual Life at Chicago Thursday where he was very cordially received. He formerly was an agent for Phoenix Mutual when Robert J. Judson was manager in Chicago. He became one of the traveling supervisors and more recently has been general agent at Springfield, Mass.

## RECORDS

**Security Mutual of N. Y.**—Did as much new life business the first nine months this year as in the best full year in the company's 60-year history. The 1926 full year production, previous high, was just two months after producers had the 1945 total. September paid production was 70% above the same month.

**Seranton Life**—Paid business in September was \$888,432 as contrasted with \$309,173 for September, 1945, or almost three times as much. For the quarter July-September the paid business was \$1,849,925, an increase of 76%. Insurance in force at Oct. 1 stood at \$44,001,909 whereas the management had set a goal of \$43½ million by Dec. 31. Gain in insurance in force for the first nine months is 35% greater than that for the entire year of 1945.

**Pacific Mutual Life**—Paid for \$7,020,000 in September, a gain of 47% over the same month of 1945. For the first nine months of the year the paid for volume was \$71,459,000, a gain of 54%.

**Volunteer State Life**—Reports 70% increase in paid business for nine months of 1946 over same period of 1945.

**Berkshire Life**—Paid life insurance for September increased 34%. For the first nine months the increase was 20%. The company has had 43 consecutive plus months.

**Union Mutual Life**—Paid business for September exceeded that of September 1945, by 59.04%, making the gain for the nine months 29.81%. The gain for the third quarter was 40.67% above that of the third quarter of 1945.

## ASSOCIATIONS

### Ill., Indiana, Minn. Conferences Set

The N.A.L.U. Illinois state conference will be held at Peoria Oct. 30-Nov. 1. Conference leaders will be Philip B. Hobbs, Equitable Society, Chicago, N.A.L.U. president; John D. Moynahan, Metropolitan Life, Berwyn, Ill., trustee, and Lester O. Schriber, Aetna Life, Peoria, past president.

Representatives from each of the local associations are expected to attend the conference, which will open a three-day meeting of the Illinois Round Table general agents and managers and the Peoria sales congress. Kenney E. Williams, Massachusetts Mutual, Peoria, president of the state association, will preside.

The Indiana conference will be held in Indianapolis in conjunction with the state sales congress and state association midyear meeting Oct. 18-19.

James E. Rutherford, executive vice president; Jul B. Baumann, vice president, and Jack Hilmes, Des Moines trustee, are attending the Minnesota conference at Minneapolis Oct. 11-12.

Robert F. Shay, manager, Bankers Life, Minneapolis, heads the Minnesota association.

The Ohio conference will join with the Columbus association at a luncheon Oct. 17, with Herbert R. Hill, recently elected N.A.L.U. trustee, as speaker.

### Mich. Officers Training School Set for Oct. 16-17

The Michigan Association of Life Underwriters will hold its annual officers training school Oct. 16-17 at Jackson under supervision of a National as-

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ciation group headed by President Philip B. Hobbs. It is expected that at least 40 to 50 officers of local associations will attend.

In addition to President Hobbs, instructors in the school will include Don Barnes, N.A.L.U. research director; John B. Ames, Lincoln National, Detroit, president; Norman Reynolds, counsel, and Harold Brogan, secretary of the state association, and Herbert B. Thompson, life division director Michigan department. Thomas Hawkins, president of the Jackson association, is in charge of local arrangements.

### Six Headliners for Ind. Sales Congress Oct. 18

The program has been completed for the Indiana sales congress Oct. 18 at Indianapolis. Claude C. Jones is committee chairman.



Claude C. Jones

Philip B. Hobbs, Equitable Society, Chicago, N.A.L.U. president, is one of the speakers.

Others include Dr. E. H. Hahne, president Miami University; Wilbur W. Hartshorn, superintendent of agencies, Metropolitan; Fred H. White, Connecticut Mutual, Buffalo, Arthur Priebe, Penn Mutual, Rockford, Ill., and Sherman Shumaker, Provident Mutual, Akron.

Presiding at the morning session will be W. R. McClure, president Indianapolis association; and at the luncheon Oren D. Pritchard, president Indiana state association.

### Rutherford at L. A. Conference

James E. Rutherford, N.A.L.U. executive vice-president, will be the chief speaker at a regional conference in Los Angeles Oct. 30-31 for the southern California and the Arizona associations.

**LaSalle County, Ill.**—Wilbur Grimes, Ottawa, reported on the N.A.L.U. meeting.

**Scottsbluff, Neb.**—Mr. Benjamin of the local social security office gave a talk on social security benefits at a luncheon meeting of the Panhandle association.

**Tacoma**—Robert Jones, National Life of Vermont, Seattle, reported on the N.A.L.U. convention.

**Oklahoma**—William P. Stagg, state manager of New York Life, replaced Homer Jamison, president, in giving the first broadcast Oct. 4 on "What Is Life Insurance and What Is Its Economic and Social Contribution to Mankind?" over Station WNAD at Norman.

**Chicago**—The women's division will sponsor a school of selling starting Nov. 4, to last the entire week. The topic will be business life insurance for sole proprietor. The complete six-day program will be announced later. The

school, which will be taught by Robert Ryker of R. & R. Service, will meet in the Field Building Auditorium. An enrollment of 50 is expected.

**Buffalo**—Buell G. Tallman, Jr., Travelers, has been elected chairman of agents' advisory committee.

**Rochester**—Raymond J. Dolwick, assistant director of agencies of Northwestern Mutual, spoke on "Stepping Up Your Sales Power."

Earl J. Foster, Massachusetts Mutual, was elected national committeeman, replacing Philip O. Works.

Ellen M. Putnam, National Life, was elected state committeeman replacing J. Stinson Scott.

**Manitowoc, Wis.**—J. A. Boyer, assistant superintendent of claims of Northwestern Mutual Life, spoke on "Good News." President Joseph Wolff, Continental Assurance, welcomed members of the Sheboygan association who were guests at the first of two exchange meetings. Norbert Landgraf, Prudential, Sheboygan president, association, invited the local group to Sheboygan Oct. 18.

Mr. Boyer stressed the importance of the agent in arranging insurance and handling proceeds to the best advantage of the beneficiary. The good news of life insurance becomes live news when the claim department begins to send out checks. In a good many cases these checks are the sole subsistence and livelihood of the dependents.

**Minnesota**—President Robert E. Shay, Bankers Life, Minneapolis, has announced committee chairmen as follows: Leaders round table, A. P. Brastad, New York Life, Minneapolis; speakers' bureau, Walter Weissinger, New York Life, Minneapolis; veterans, C. G. Liemandt, Penn Mutual, Minneapolis; legislative, W. S. Leighton, New York Life, Minneapolis; women's committee, D. Elizabeth Butler, Penn Mutual, Minneapolis; public relations, Milt Buscher, Equitable of Iowa, Minneapolis; membership, Malcolm Lindsay, Great-West Life, Minneapolis.

**West Georgia**—A new association has been formed with headquarters at Carrollton. Rufus Smith is president; Guy F. Hixon, secretary, and Buck Reed, treasurer.

**Des Moines**—James E. Rutherford, N.A.L.U. executive vice-president, speaking on "America Looks to the Salesman", stressed the rising importance of the salesman in the economic future of the United States.

He declared that before the war there were 8 million salesmen of all types in the country and at the end of the war only 3 million. He said that at least 10 million are needed to do the job right.

"We have over-estimated the people's savings", he asserted. "The savings are concentrated in a small percentage of the people, and the future market depends on future income."

**Baltimore**—George F. B. Smith, 2nd vice-president of Connecticut Mutual, will discuss "The Dollars We Promise to Pay" Friday.

### Appoint Thorley in Cleveland

J. Wade Thorley has been appointed agency supervisor for Reliance Life at Cleveland. He has had 12 years' experience in agency work and personal production. He will serve under Lloyd H. Feder, manager Ohio department.

## A THREE-FOLD RESPONSIBILITY

Today's career life underwriters are faced with a three-fold responsibility.

1. To bring to as many American homes as possible the benefits of adequate life insurance protection;
2. To cooperate as a part of the institution of life insurance to combat inflationary talk and tendencies;
3. To counsel with all war veterans and urge that they retain their National Service Life insurance.

Upon the execution of this three-fold responsibility today depends, to a great extent, the prestige and increased usefulness of tomorrow's career life underwriters.

## Equitable Life of Iowa

*Founded 1867*

HOME OFFICE

DES MOINES

## United Life and Accident Insurance Company

CONCORD, N. H.

### Policies Designed to Help the Agent

#### HEALTH BENEFITS . . .

\$200 for 50 months beginning 30 days from date of total disability from sickness.  
Non-cancellable — Non-proratable.

#### ACCIDENT BENEFITS . . .

\$200 for 50 months from first day of total disability.  
Non-cancellable — Non-proratable.

#### HOSPITAL BENEFITS . . .

\$200 for 3 months from first day of total disability, either by accident or sickness.  
Non-cancellable — Non-proratable.

#### LIFE BENEFITS . . .

Double, Triple Indemnity—Waiver of Premium.

### Policies Are What the Public Wants and NEEDS

For Details Write  
**WILLIAM D. HALLER, Vice Pres. and Agency Mgr.**

## SECURITY

*is a simple matter!*

With a Bankers Mutual Life contract, tailored to your measure. An Agent's and Policyholder's Company "where the Agent reigns supreme".

**Bankers Mutual Life Co.**  
ESTABLISHED 1907  
FREEPORT, ILLINOIS



## FRATERNALS

### Modern Woodmen Drive for Juvenile Successful

An all-time record in writing new junior business was established, and a 17-year record in total new business received was twice broken in the two-month junior campaign of Modern Woodmen which ended Sept. 30. There was an increase of 48% in new written business in the first nine months over the same period of 1945, with total \$33,016,331.

The two-month total junior business aggregated \$6,660,900 on a quota of \$5,535,000, the largest amount of new junior business received in any similar period since 1929, the year Modern Woodmen began writing children under 16. Of the two months' junior total,

\$3,092,600 was produced in August and \$3,568,300 in September.

August junior business increased 59.5% over August, 1945, and September 30.5% over that month last year. The percentage increase for the two months combined was 42.5. National Junior Day Sept. 24 brought \$1,264,200 applications.

The largest percentage of increase was noted in total new business received, both adult and junior, in September, 214% above September, 1945 with total received \$5,728,682, exceeding the August figure. August production of new business was the highest experienced by the society since 1929.

Directors instituted a "Good Neighbor" program in the society's 8,000 or more local camps to begin with a meeting honoring ex-servicemen and women members. Genuine leather billfolds embossed with the society's emblem and an inscription will be presented to the

veterans. Fraternal service also will be rendered to the discharged veterans.

### Eagles Revive Insurance

CINCINNATI—Plans were made by the Fraternal Order of Eagles insurance directors to reestablish its insurance department, inactive the last 20 years, with a central office here. The board of governors of the Eagles, which has national headquarters at Kansas City, have contributed \$100,000 to the insurance fund. M. L. Brown, Springfield, O., managing organizer, will be in charge. The insurance department originally operated in 38 states, but has maintained its license only in Washington. There are 1,250,000 members.

Directors present included J. J. Holmes, Montana commissioner, and P. E. Tumblety, Empire State Life. The program includes hospitalization, weekly disability, and death benefits.

ence and training were lost almost overnight. When the war was over Retail Credit started to reconvert but as it got under way "your agency departments slipped us a fast one—an avalanche of unexpected new business upon us—such an increase as none of us anticipated—and we started a further employment and training program."

Since March Retail Credit has opened 14 new branches and has added 16 full-time direct reporting stations or sub-offices. As of Sept. 1, 80.3% of its report volume was handled by full-time salaried points. The goal is to bring this percentage to 90%.

Retail Credit now has 2,224 salaried investigators and the part time men that were used in the war have been weeded out. It has a total of 4,738 employees.

### Russell Welcomes Institute

Emmett Russell, Jr., assistant secretary of Life & Casualty, gave the address of welcome at the Institute meeting. He recalled the progress that has been made in the organization since it was founded in 1937 by a group of 11 home office underwriters, representing nine southern companies. That group met at Chattanooga at Mr. Russell's invitation to discuss the advisability of starting an underwriters organization. The growth has been rapid and the spirit of cooperation and mutual assistance has been unexcelled, he said. Until the Institute developed a section devoted to industrial underwriting, there was no opportunity for exchange of ideas on problems in this field. This activity has had far reaching effects on the underwriting of industrial risks.

### CHRIS HAMLET REPORTS

Chris C. Hamlet, secretary of Home Security Life, in his paper "Trends in Industrial Risk Selection," gave the results of a survey he had conducted on various aspects of underwriting practice.

The first question asked was: "Up to what limits of premium or amount of insurance do you issue?"

Twelve out of 25 companies will accept white risks non-medically for a maximum amount of \$1,000 or more while the remaining 13 are about equally divided in accepting maximums of \$500 and \$750.

With medical examination 16 companies are about equally divided in accepting maximums of \$500 and \$750, two have no set maximum amount. Eight companies accept a greater maximum amount with medical examination and three companies do not use medical examinations at all. One company with maximum amount of \$750 indicates that special white cases will be accepted up to a maximum of \$1,000. The three companies accepting non-medical white applications for more than \$1,000 have maximum limits of \$1,100, \$1,500, and \$1,250, while one additional company

### SERVICE BASED ON PLUS VALUES

A member of Royal Neighbors of America recently evaluated her membership in the society as follows: "I value my membership in Royal Neighbors of America because for 35 years I have had safe insurance protection, the fellowship of our society and am assured a home in my declining years."

The Royal Neighbor home and fellowship are but two of the PLUS values of Royal Neighbor legal reserve fraternal life insurance. The other PLUS values include a real fraternal spirit and program, camp activities, fraternal aid from a special fund, a free health service and the Royal Neighbor magazine.

These features, beyond the realm of protection, make it possible to describe the service of Royal Neighbors of America as "Life Insurance with a Heart".

### ROYAL NEIGHBORS OF AMERICA

SUPREME OFFICE, ROCK ISLAND, ILL.

**Claims Paid Since Organization \$50,893,078**

**SUPREME FOREST WOODMEN CIRCLE**  
Omaha, Nebraska

### THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society  
Bliss West Miller Frances D. Partridge  
Supreme President Supreme Secretary  
Port Huron, Michigan

### Great Potentialities in Juvenile Line

(CONTINUED FROM PAGE 4)

one being insured, and should investigate the amounts owned on all children.

In considering insurance on adopted children, the usual sources of investigation should suffice. The care with which the agencies check requests for adoption and the qualifications that the new parent must meet before adoption is granted, are additional safeguards against underwriting hazard. However, in the case of foster children who have not been legally adopted, more careful investigation is advisable.

B.M.A. is offering juvenile plans on the 20 pay life, 20 year endowment, endowment at 60, and endowment plans maturing at ages 17, 18, and 19 years. A payor benefit providing for waiving of all premiums in the event of death or disability of the payor may be included.

B.M.A. accepts on the non-medical basis children to age 14 inclusive, for amounts up to \$5,000 inclusive. The usual underwriting rules as to amounts are employed in writing the payor benefit. All policies provide a graduated death benefit to age five with 10% of the face amount of the policy payable if death occurs during the first six months, 20% payable from six months to a year and increasing 20% each year until age five when the face amount is payable.

In those cases involving some medical question or where the amount is above the non-medical limit, a medical examiner's report is obtained, using a special short form report blank.

Where the child is not eligible for standard insurance because of physical impairment and medical history, the case is usually declined. However, where the child may be accepted and the payor does not qualify for standard insurance, B.M.A. will grant the payor benefit on a substandard basis to provide for waiving premiums only in the event of the death of the payor.

The field of prospects is almost unlimited. "As Dr. Dingman points out in his splendid new book Risk Appraisal one-fourth of the population of the U. S. is under age 15 and that about 27 million pupils were in 250,000 public schools in 1937 and another 5 or 6 million in parochial schools. When our salesmen take full advantage of the situation caused by the heavy tax program and reduced interest earnings and point out to the parents of all these children the advantage of educating their children to the need of a definite insurance program, and they, themselves, realize the savings in cost by purchasing coverage at the early ages, we will see an even greater number of applications for children's policies across our desks."

The Institute of Life Insurance reports that last year sales on the lives of children were more than 10% of the entire volume. This marked a great increase over the previous year and is an all-time record of volume.

### Selection Men Hold Parley

(CONTINUED FROM PAGE 1)

Japanese "B" encephalitis, leprosy and others.

He also reviewed the difficulties in underwriting which his company has experienced in the Latin American countries as a result of virtual lack of selection by agents, the difficulty of obtaining the proper type of medical examiners and the complete absence of inspection facilities.

### Retail Credit Man Speaks

P. G. Sanford, vice-president and sales manager of Retail Credit Co., in his address at the meeting, quoted an unnamed agency executive as saying that an underwriter's picture of the risk is made up at least 50% from what he gets out of a good inspection report. Inspectors are fact-finders. They must know the fundamentals of life insurance and must have initiative to keep abreast of changes in the business. The inspector is supposed to get the facts to the company without disturbing the applicant, and to do so within a reasonable length of time.

The changes in the report blank of the inspection company, he said, have been based on the suggestions of underwriting people and to keep pace with underwriting requirements. The present blank contains 52 questions. In 1902 there were 16 questions and there was no space for remarks unless unfavorable information was developed.

Mr. Sanford told something of the personnel problems that have faced his organization since the beginning of the war. It is a young man's business, he said. Before the war the average age limits were from about 22 to 28 with single men preferred. The armed services got 1,550 Retail Credit men and there was an immense turnover. Experi-

## THE PRAETORIANS

Adult and Juvenile Policies on the Easy Monthly Payment Plan, giving one the opportunity to budget his Life Insurance protection along with his other monthly bills.

### LEGAL RESERVE FRATERNAL INSTITUTION

Organized in 1898

Forty-Five Years of Insurance and Fraternal Service  
Home Office—Praetorian Building—Dallas, Texas

will accept up to \$1,500 with medical examination. Fifteen will accept colored risks non-medically for a maximum amount of \$500 and two for maximum of \$1,000. One company accepts a maximum premium of 25 cents on colored risk. Seven companies do not write colored business.

With medical examination of colored risks nine companies will accept a maximum amount of \$500, four a maximum of \$750, and two a maximum of \$1,000. Two companies have not set limits, one company again accepts a maximum of 25 cents, and seven do not accept colored risks.

The answers to Part (c) of Question indicate that only one company of 26 has recently modified the maximum amount of weekly premium insurance which will be accepted.

Most of the companies have met the demands for larger amount by offering monthly premium industrial and ordinary. Home Security Life is issuing a weekly ordinary policy in amounts up to \$2,000. These are underwritten in the ordinary department and have some of the characteristics of both ordinary and industrial. "However it may be done," said, "I believe we should be prepared to meet the needs of our policyholders and prospects as to method of premium payment as well as plan and other features."

Another question was: "Are medical examinations required on industrial applications because of age?" The use of examinations produces additional work for the agent, causes delay in the issue of policies, and represents added expense. The underwriter must see that the tools he uses, such as medical examinations and commercial inspections, produce adequate results for the money spent.

## EXAMINATIONS

On white risks only 13 companies require medical examinations because of age alone. Ten companies do not use medical examination because of age alone and three do not use medical examinations at all. On colored risks eight companies require medical examination because of age, nine do not require examinations because of age, three do not use examinations at all (one of these three does not write colored risks), and six do not write colored risks. Three companies not requiring examinations for age alone state that examinations are required on a combination basis of age and amount.

As to whether a blood pressure reading and urinalysis were obtained as part of the regular industrial medical examination, 18 stated that a blood pressure reading is usually required, five that blood pressure reading is not required, and three do not use examinations. Then stated that urinalysis is usually required, 13 that urinalysis is not usually required, and three do not use examinations at all.

As to the amount of fee usually paid for an examination, of the 23 companies using medical examination nine usually pay a fee of \$1, seven pay \$2, and seven \$3. Four of the nine paying \$1 will pay added amounts (usually 50 cents) for blood pressure reading and urinalysis. Home Security tries to obtain both a blood pressure reading and urinalysis for \$1. It has been fairly successful in getting the blood pressure reading but has not done so well in obtaining urinalysis. It now appears that it will find it necessary to increase the fee to at least \$2 in the near future.

## INSPECTIONS

As to the basis on which commercial inspections are generally obtained, two companies obtain inspections for amounts of \$500 and over, one for \$750 and over, and one for \$850 and over. Replies from the remaining companies indicated considerable variation with a number using inspections for spot checking and others basing their requirements on combinations of age and amount.

The question was asked "What steps do you now take to obtain details regarding (a) war discovered disabilities (draft rejections, certificate of disability discharges, etc.) (b) war caused disabilities?"

On the 4-F men examinations are used by three companies, inspections by three, either examinations or inspection or both by nine while 11 companies make no investigation except by the agent.

On men medically discharged from service examinations are generally used by nine companies, inspections by one, either examinations or inspections or both by seven, and nine rely solely on their agents.

One company will require medical examination if there is a 30% disability or more, another if there is a 25% disability, and another will not accept a veteran deceiving a pension.

## Home Security Makes Change

In view of its experience with 4-F men and medically discharged veterans, Home Security this year discontinued its military service questionnaire. Such information is now obtained only on applications for amounts of \$500 and over through the regular superintendent's inspection. "We have about concluded to investigate medically discharged applicants fairly thoroughly with medical examinations and to employ medical examinations on 4-F's only when there is a definitely indicated impairment of serious nature."

He expressed the belief that many companies will soon ignore 4-F's and cover the factor of disabilities connected with military service in a question in the industrial application similar to that employed in many ordinary applications. This usually inquires whether pension has been applied for or received, the nature of the disability, and the amount of any compensation received; and it should prove adequate.

Dr. Lytle Atherton, medical director of Lincoln-Income Life, in his paper, expressed the belief that there is no method available to improve the underwriting of industrial business except to propagandize. Insurance companies could lend financial support to such organizations as American Society for Control of Cancer and those agencies interested in heart disease, tuberculosis, diseases of early infancy and prevention of accidents. Through helping to make such endeavors more effective the insurers would get a return in mortality savings.

## McClure to Continental

Ernest L. McClure has been appointed general agent at Kansas City by Continental Assurance. He has been prominent in the business there 26 years with New England Mutual. He graduated at the commerce school of University of Pennsylvania. He is first vice-president of Kansas City Life Underwriters Assn.

## Reports 90% Gain

Alexander F. Gillis, Newark general agent of Provident Mutual Life, reports a 90% gain in new business for the first nine months over the same period last year. The leader for the year to date is Henry A. Feustel, supervisor.

## Regional Meets Oct. 22-24

Hal Nutt, production manager John O. Todd agency of Northwestern Mutual, will be one of the speakers at regional meetings Oct. 22-24 of the Chicago Assn. of Life Underwriters. The meeting will be held at the Sherry hotel the first day, the Graemere the second and concluding sessions will be at the Sovereign hotel the third day.

The new Institute of Life Insurance movie, "The Search for Security" will be shown. Raymond N. Britz, assistant superintendent John E. Hayes agency of Prudential, will be in charge of this feature.

Capt. Jack Moore, son of Joseph Moore and now associated with his father in the Moore & Moore agency, Green Bay, Wis., which acts as agency director of North American Life in that territory, has been awarded the army commendation ribbon. He served in the army five years, with overseas service in Germany as battalion motor officer of the 718th field artillery battalion of the 63rd infantry division.

## Life Conventions

Oct. 18-19, General Agents & Managers (N. A. L. U.) area conference, Mayflower Hotel, Washington, D. C.

Oct. 21-24, National Fraternal Congress, Hotel Morrison, Chicago.

Oct. 24-26, Life Advertisers Assn., annual, Edgewater Beach Hotel, Chicago.

Oct. 28-31, Insurance Section, American Bar Assn., Atlantic City.

Oct. 31-Nov. 2, Illinois Life Underwriters, midyear, Pere Marquette Hotel, Peoria.

Nov. 11-13, American Institute of Actuaries and Actuarial Society of America, joint fall meeting, Netherland Plaza Hotel, Cincinnati.

Nov. 12-14, Life Insurance Agency Management Assn., annual, Edgewater Beach Hotel, Chicago.

Nov. 14-16, Home Office Underwriters Assn., annual, Netherland Plaza, Cincinnati.

Dec. 4-6, American Management Assn., insurance conference, Drake Hotel, Chicago.

Dec. 9-11, National Assn. Insurance Commissioners, midyear, Hotel Commodore, New York.

Dec. 10-11, Assn. Life Insurance Counsel, winter meeting, Waldorf-Astoria, N. Y.

Dec. 11, Insurance Federation of New York, Hotel Commodore, New York.

Dec. 12-13, L.I.A.A., annual, Waldorf-Astoria, New York.

Jan. 8-10, National Assn. of A. & H. Underwriters, midyear, Blackstone hotel, Miami Beach.

May 12-14, Eastern general agents and managers conference, Homestead, Hot Springs, Va.

# WANT ADS

## WANT TO LIVE...

## COLORADO

Have you wished for a real money making connection in Colorado? If you can sell to upper bracket buyers the most attractive policies designed especially for expansion into new territory by well established company, then write NOW to H-90, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois. All replies confidential.

## UNUSUAL OPPORTUNITY for EXPERIENCED LIFE SALESMEN

To sell Group Life Insurance Plans and Individual Life Policies on the pay-roll deduction basis only.

Leads will be furnished by this nationwide organization which has Health, Accident and Hospital Plans already in effect in hundreds of industrial concerns.

To men willing to work and capitalize on their experience, our 35 year record of prompt and satisfactory service to policy holders will help put you in the upper income brackets.

### Salary and Commission

Apply by letter giving full details to: BOX H-82, THE NATIONAL UNDERWRITER, 175 WEST JACKSON BLVD., CHICAGO 4, ILLINOIS.

## MAJOR AIRLINE NEEDS ASSISTANT TO INSURANCE MANAGER

UNITED AIR LINES has an opening at its General Headquarters in Chicago for an Assistant to its Insurance Manager. Applicant must have a minimum of 10 years insurance experience including marine, fire and casualty. Life insurance experience also desirable. He must have the ability to analyze policy coverage, loss experience, prepare charts and a variety of statistical data. Applicant must be between 30-35 years old and have college degree. This is a permanent position with an expanding industry. Please write complete details of your qualifications including snapshot to Employment Office, 5959 South Cicero Avenue, Chicago, Illinois.

## WANTED

IBM Machine Room Supervisor or person with ability to be trained for machine room supervisor. Preferably, with life insurance company experience. Home Office Pacific Coast company. Fine opportunity. All replies will be kept confidential. Address H-65, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## AVAILABLE

Branch office manager or assistant branch office manager for life insurance office. Prefer to locate in Chicago. Experienced in home office administrative work. Excellent references. Address H-88, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## AGENCY MANAGER WANTED

An established Life Company with four hundred million in force and writing fifty million yearly, plans a second agency in Detroit to cultivate a brokerage clientele so well as to build a permanent agency organization. The Company has an excellent range of policy contracts, low net cost and a liberal commission contract.

The position of Manager is open to a young man, under thirty-five, who has managerial ambitions, who preferably is experienced in dealing with brokers, and who has vision to see the future with the Company. He will be paid an adequate salary and given a contract. Applicants treated confidentially. Address H-87, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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 221 E. Ohio Street  
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## NEW YORK

Established in 1885 by David Parkes Fackler  
**FACKLER & COMPANY**  
 Consulting Actuaries  
 6 West 48th Street New York

Consulting Actuaries  
 Auditors and Accountants  
**Wolfe, Corcoran and Linder**  
 116 John Street, New York, N. Y.

## PENNSYLVANIA

**FRANK M. SPEAKMAN**  
 CONSULTING ACTUARY  
 Associate  
 E. P. Higgins  
 THE BOURSE PHILADELPHIA

## Insurance for Bequests Deprecated

(CONTINUED FROM PAGE 1)

because it asked too much or didn't guard against abuses of it. He expressed the hope that the special status of insurance may be restored in this respect, saying there is something inconsistent in a society that encourages life insurance and then takes part of it away in the form of estate taxes. Unless the specific exemption is abused, it would meet with general public favor, he predicted. Also, he said he could see nothing wrong with asking for a law to permit insurance taken out specifically for estate tax purposes to be excluded from the estate. Life insurance has the ideal quality for tax purposes of being available in cash just when it is needed.

Selection men have had misgivings about propositions for large amounts of insurance that are not based on earning power, and which involve at best a tenu-

ous element of insurable interest. They require careful selection; there is always a suspicion of anti-selection. "When we insure breadwinners and earning power, the problem is easy," he declared.

In referring to industrial insurance, Mr. Shepherd said that the strength of the business comes from the great number of small policies carried by such a large proportion of the population. The agents have done a good job in placing and servicing this insurance, but there is still room for a much larger volume of insurance on the breadwinners and it is important to see that efforts are not diverted from that main purpose.

Mr. Shepherd said it is important to study legal conditions and restrictions upon underwriting to understand what it was that brought these restrictions about and, hence, to avoid practices that might eventuate in further restrictive legislation. For instance, New York law prohibits the sale of industrial endowments. Those people that really want endowments on the weekly premium plan are denied that privilege because in the eyes of the legislature, at least, too much endowment insurance was sold where it did not belong.

Home office underwriters must be on their guard so that there will be no basis for criticism in the future. As to group insurance, Mr. Shepherd said there is room for improvement in connection with termination of coverage upon termination of employment. The conversion privilege is only part of the answer. Perhaps the real answer lies in complete group insurance coverage so that a man changing employment is never without such cover.

Mr. Shepherd spoke without enthusiasm of permanent group insurance. Applying the underwriting principles of group to ordinary policies means that the insurer is taking in some lives that are uninsurable. Such a procedure overlooks the fact that the premium rate is guaranteed and that these policies have to participate in the earnings on the same basis as though they had been individually underwritten. There may be some room for excess mortality if expenses can be pared down, but otherwise there is no sound basis for issuing regular ordinary policies on a group underwriting plan.

## Fraser Agency Production

The John M. Fraser agency of Connecticut Mutual Life, New York City, paid for \$1,011,100 of business in August against \$573,634 in the same month last year. Total paid business for the year

is \$10,352,502 against \$6,084,570 last year.

## Mass. Minimum Wage Law in Effect Oct. 15

BOSTON—Massachusetts' new minimum wage law, the highest in the country, applies to all insurance offices which have been notified the past week by J. T. Moriarty, commissioner of labor, that the law goes into effect Oct. 15. It is "directory" for three months without penalty, then becomes mandatory, with penalties of \$50 to \$100 or imprisonment of 10 to 90 days for each week of violation.

Experienced clerical and technical employees, male and female, must be paid 60 cents an hour for a 40-hour week amounting to \$24 total, and inexperienced workers must get 55 cents an hour, or \$22 for a 40-hour week. Experienced workers include all those who have had 600 hours' experience in the occupation, whether in the same or another establishment.

## Sam Davis Gets Lions Award

Sam P. Davis, manager of Phoenix Mutual Life at New York and president of the New York City Lions Club, has received the senior master lion award by Lions International to member who brings in 25 new members. Mr. Davis is the first man in the New York club to receive the award. His presentation was the first official act of the Lions International president C. C. Pierce of Memphis. The presentation was made at a dinner at which the Lions Clubs of greater New York and vicinity were hosts.

## Speaks on Inflation Threat

"We have won the war against the Axis, but our struggle against inflation continues and unless we Americans deploy against the inflationary forces arrayed against our financial lives, we are likely to lose the peace," warned Joseph L. McMillin, Mutual Life, Memphis, to the Jackson (Tenn.) Rotary Club.

## N. Y. Life Men to Gulfport

The Southern Educational Club meeting of New York Life will be held in Gulfport, Miss., Oct. 13-15.

## Drop 63-Year Precedent

Royal League's next session of the supreme council will be held June 19-21, 1947 in St. Louis, upon invitation of the advisory council of Missouri and all subordinate councils there. This will be the first supreme session since Royal League was organized in 1883 to be held in any other city but Chicago.

## STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACTS OF CONGRESS OF AUGUST 24, 1912, AND MARCH 3, 1933

Of The National Underwriter Life Insurance Edition, published weekly at Chicago, Ill., for Oct. 1, 1946.

County of Cook ss.

Before me, a Notary Public in and for the State and County aforesaid, personally appeared C. M. Cartwright, who, having been duly sworn according to law, deposes and says that he is the Editor of the National Underwriter Life Insurance Edition and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in section 537, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher, The National Underwriter Co., Chicago, Ill.  
 Editor, C. M. Cartwright, Evanston, Ill.

Managing Editor, Levering Cartwright, Evanston, Ill.

Business Managers, H. J. Burridge, Cincinnati, Ohio.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.)

The National Underwriter Co., Chicago, New York, Cincinnati; Southern Ohio Savings Bank & Trust Company, Cincinnati, Ohio, trustee for Elizabeth W. Herschede, Janet M. Wohlgenuth; C. M. Cartwright, Evanston, Ill.; H. J. Burridge, Cincinnati, Ohio; G. W. Wadsworth, Highland Park, Ill.; R. E. Richman, New York, N. Y.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the twelve months preceding the date shown above is 8,713. (This information is required from daily publications only.)

C. M. CARTWRIGHT.  
 Sworn to and subscribed before me this 30th day of September, 1946.

JAMES C. O'CONNOR, JR.

(Seal)  
 (My commission expires Sept. 27, 1949.)

**Question:** Why does everyone praise BALTIMORE HOSPITALITY?


**Answer:** Because, for more than 200 years, Baltimoreans have been making a real effort to live up to the gracious reputation established by the Cavaliers.

The Lord Baltimore Hotel, Baltimore's largest, always has upheld this tradition. 700 comfortable rooms . . . all the facilities and services that travelers expect . . . and a genuine willingness to please each guest . . . have made it "Host to Most Who Visit Baltimore."

**THE Lord Baltimore Hotel**  
 BALTIMORE AT HANOVER • BALTIMORE 3, MD.

Can you answer these questions about

# CANCER?

Q. Are we winning or losing the war  on cancer?


A. The news is good! Recent statistics show that the death rate from cancer of the stomach, skin, and mouth is going down. Among women the rate is being reduced for *all* forms of cancer.

Q. How is medical science  attacking cancer?

A. Doctors are treating more patients in the early stages of cancer when the chances of cure are greatest. Intensive studies are now being carried on to determine the causes of cancer and to develop new methods of diagnosis and treatment. These include research with hormones and experiments with radio-active substances and certain chemical compounds.

Q. Has any new "sure cure"  for cancer been perfected?

A. No! Medical scientists say that there are still only two ways of curing cancer: complete *removal* by surgery, or complete *destruction* by X-rays or radium rays. There is *no other way* known at present.

Q. What should *everyone* do about cancer? 

A. First, learn the *danger signals*. Second, when such warnings appear, *get medical advice immediately*. It is estimated that 30 to 50 per cent of the deaths from cancer today might have been prevented by earlier recognition and prompt treatment.

Q. What are cancer's "danger signals"?

1. Any unusual lump or thickening, especially in the breast. 2. Any irregular or unexplained bleeding. 3. A sore that does not heal, particularly about the mouth, tongue, or lips. 4. Noticeable changes in the color or size of a mole or wart. 5. Loss of appetite or continued, unexplained indigestion. 6. Any persistent changes in normal habits of elimination.

**Important note:** These signals do *not necessarily* mean cancer. In fact, 88 out of 100 women who came

to one leading cancer clinic because they suspected cancer proved *not* to have the disease. However, the signals do indicate that something is wrong which you should have checked by your physician. His examination will reassure you if cancer is not present, or, if it is, will permit prompt treatment.

To learn more about *prevention and control* of cancer, send for your free copy of Metropolitan's booklet, "There Is Something YOU Can Do About Cancer."

TO VETERANS—IF YOU HAVE NATIONAL SERVICE LIFE INSURANCE—KEEP IT!

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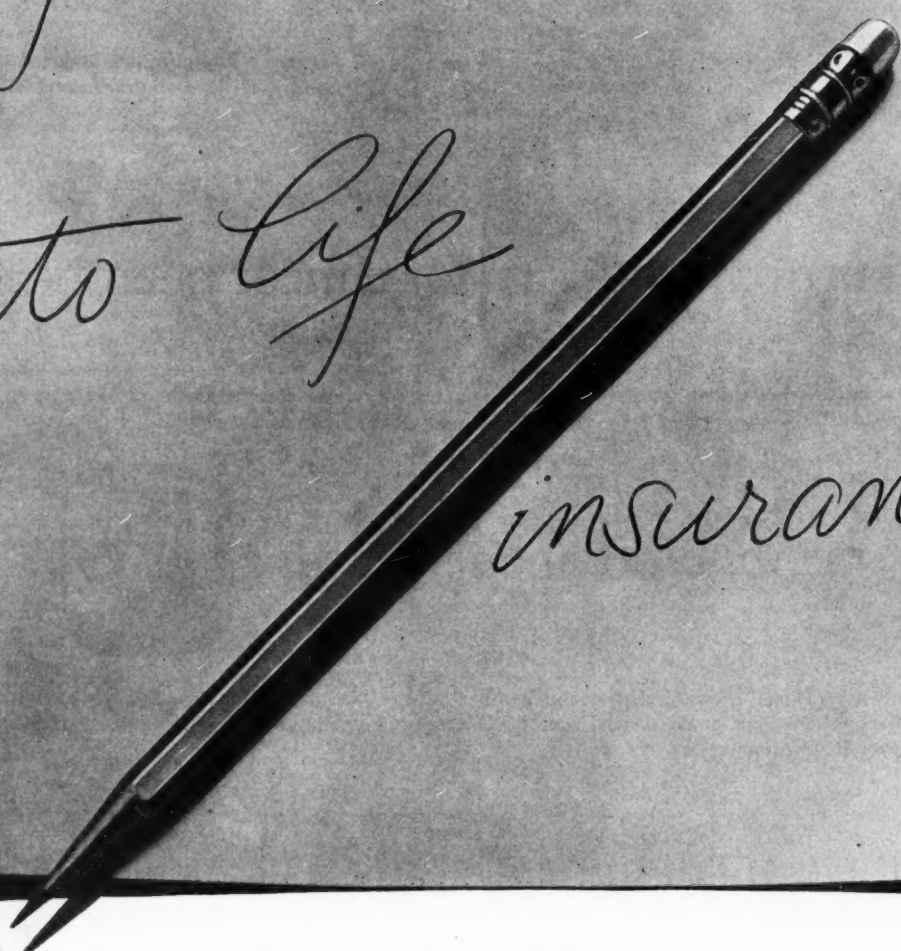
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